FBIS DAILY REPORT

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HUNGARIAN DISARMAMENT DELEGATE SUBMITS MEMORANDUM

LD141827 Budapest MTI in English 1740 GMT 14 Jun 85

[Text] Geneva, June 14 (MTI) -- At the Geneva disarmament talks Friday Ambassador David Meiszter, head of the Hungarian delegation presented a joint memorandum in the name of the socialist countries on the banning of radiological weapons and on banning attacks against nuclear facilities.

He stressed that in parallel with a total ban on radiological weapons there must also be a ban on enemy attacks against nuclear facilities used for peaceful purposes, e.g. nuclear power stations, enriching facilities and stockpiles of radioactive waste materials since the consequences of such attacks may be even more damaging than the destruction caused by nuclear explosion.

From the very beginning the delegations of the socialist countries have endeavoured to made an initiative contribution to the elaboration of proper agreements. The common document again reinforces the willingness to do this and the intent to assist in the use of nuclear power for peaceful purposes and in developing it safely, with effective measures, stressed the head of the Hungarian delegation who also pointed out that the favourable evolvement of the talks will definitely have a beneficial influence on solving other issues before the conference.

ROMANIAN DELEGATE ADDRESSES GENEVA CONFERENCE

AU181954 Bucharest AGERPRES in English 1902 GMT 18 Jun 85

[Text] Geneva AGERPRES 18/6/1985 -- The chief Romanian delegate set forth Romania's and President Nicolae Ceausescu's initiatives regarding the problem of nuclear disarmament, including the banning of nuclear weapons, in the debates of the Geneva disarmament conference.

The peace and disarmament appeal of the Socialist Democracy and Unity Front of the Socialist Republic of Romania, addressed to democratic parties and organizations of [as received] the proposals regarding the decisive role of European nations, the countries (?in) the membership of the Warsaw Treaty and NATO countries for finding solutions to reach adequate accords on the elimination of all medium-range missiles, of other nuclear armaments in the European Continent.

Stress was laid on serious threats to security and the very existence of the European peoples, of the general cause of peace represented by the emplacement of new nuclear missiles [as received], by the enforcement of the programmes of modernization and improvement of the existing weapons. In these conditions, the speaker stressed, more necessary than ever is to intensify the efforts in all international bodies and orgaizations that handle problems of security and disarmament, to speed up the negotiations within the Geneva disarmament conference in view of an energetic action apt to halt the dangerous course of events, of achieving actual disarmament measures, nuclear above all.

SOFIA VIEWS REAGAN'S RESPONSE TO HIJACKING

AU190937 Sofia Domestic Service in Bulgarian 0900 GMT 19 Jun 85

[Text] The efforts to release the hostages of the U.S. Boeing 727 hijacked at Athens airport are continuing. Associated Press reports that Washington and Tel Aviv are developing a common line for solving the problem. According to the White House spokesman Larry Speakes: There is no question of negotiating with the abductors. He tried to justify U.S. efforts so far by its unwillingness to negotiate under pressure from the abductors for the release of the 700 Shiite Muslims held in Israel prisons.

It was not accidental that President Reagan yesterday used the case in order to hold at the White House his first major press conference in 3 months. He declared that the United States will never make any concessions to terrorists, without stating precisely what measures would be taken to release the hostages, or whether the incident will be used as a pretext for a new armed aggression against Lebanon.

There is no doubt that Reagan is now in the situation of his predecessor Carter, who had to solve the problem of the U.S. hostages in Tehran. Apparently, at this stage Washington is relying on military force. Proof of this is the concentration of six military vessels in the eastern Mediterranean, and the moving of the aircraft carrier Nimitz close to this area. The special Delta Force is also in the region. These forces were used in the aggression against Grenada.

LEADERS ATTEND SOFIA DIMITROV CELEBRATION

AU181530 [Editorial Report] Sofia Domestic Service in Bulgarian from 1359 to 1446 GMT on 18 June carries a live relay from Sofia's Georgi Kirkov Hall, on the occasion of the 103d anniversary of the birth of the Bulgarian Communist Georgi Dimitrov. At 1359 GMT announcer Boyan Bonev describes the atmosphere in the hall and the banners hanging in the hall. At 1400 GMT the announcer reports that "the public greets with stormy applause Todor Zhivkov, other party and state leaders, deputy chairmen of the State Council and the Council of Ministers, secretaries and members of the Bulgarian National Agrarian Union Permanent Board, and leaders of mass political and public organizations," who take their seats in the honorary presidium. The national anthem is played.

Vasil Tsurvenkov, secretary of the Sofia City BCP Committee, opens the meeting and gives the floor to Grigor Stoichkov, candidate member of the BCP Central Committee Politburo, deputy chairman of the Council of Ministers and minister of construction and territorial-settlement organization, who delivers a 38-minute speech related to the achievements of Georgi Dimitrov.

At 1446 Vasil Tsurvenkov closes the meeting and "The Internationale" is played.

The announcer identifies the following officials as having attended the meeting: "Comrades Todor Zhivkov, Grisha Filipov, Yordan Yotov, Milko Balev, Ognyan Doynov, Petur Tanchev, Stanko Todorov, Todor Bozhinov, Chudomir Aleksandrov, Andrey Lukanov, Georgi Atanasov, Georgi Yordanov, Dimitur Stoyanov, Stanish Bonev, Stoyan Karadzhov, Dimitur Stanishev, Stoyan Mikhaylov, Kiril Zarev, and Emil Khristov."

ISRAELI CP DELEGATION VISITS; VIEWS COINCIDE

AU141910 Sofia BTA in English 1745 GMT 14 Jun 85

[Text] Sofia, June 14 (BTA) -- In concord with the protocol for cooperation between the Bulgarian Communist Party and the Communist Party of Israel [CPI] a delegation of the CPI headed by Mr. Yeshu'a Irga, secretary of the CC of the CPI, visited the country from June 6 through June 14, 1985. The guests were acquainted with Bulgaria's achievements in the conomy, culture and social life.

The delegation was received by Mr. Georgi Atanasov, alternate member of the Politburo of the CC of the BCP and secretary of the CC of the BCP, and by Mr. Dimitur Stanishev, secretary of the CC of the BCP. At the meetings, dominated by a friendly and cordial atmosphere, the guests were informed about the main tasks standing before the Bulgarian people, led by the BCP, in the construction of the developed socialist society. The two sides exchanged views of topical issues of the situation in the world and on the international communist and workers' movement. Certain matters related to the further development of the contacts between the BCP and the CPI were also discussed. There was a complete coincidence of views on all matters discussed by the two fraternal parties.

DELEGATION MEETS AUSTRIAN PRESIDENT IN VIENNA

AU181849 Sofia BTA in English 1750 GMT 18 Jun 85

[Text] Vienna, June 18 (BTA) -- An official Bulgarian delegation headed by Mr. Pencho Kubadinski, chairman of the National Council of the Fatherland Front, arrived in Vienna on the invitation of the Austrian National Council. The delegation was received by Federal President Rudolf Kirchschlaeger, who stated his satisfaction with the Bulgarian delegation's visit and underlined Austria's desire to work for the further development of the good contacts and cooperation with Bulgaria in the name of peace. Mr. Pencho Kubadinski extended the personal greetings of Mr. Todor Zhivkov, president of the State Council of the S.R. of Bulgaria.

POLITICAL CONSULTATIONS HELD WITH MEXICO

AU182044 Sofia Domestic Service in Bulgarian 1930 GMT 18 Jun 85

[Text] Consultations took place in Sofia between representatives of the ministries of foreign affairs of Bulgaria and Mexico. The Bulgarian delegation was led by Deputy Minister Mariya Zakharieva, and the Mexican by Rodrigo Victor Rodriguez, ambassador and general director of the Political Directorate for the USSR and Eastern Europe at the Mexican Ministry of Foreign Affairs.

During the consultations it was noted that objective possibilities exist for activating and expanding bilateral political contacts as well as trade-economic, scientific-technological, and cultural cooperation. Discussing the contemporary international situation the two delegations evaluated positively the efforts of the Contadora Group to reach a peaceful solution to the Central American conflict. They noted that the embargo on trade-economic relations with Nicaragua imposed by Washington is an act that complicates even more the situation in Central America and represents unprovoked and unjustified sanctions against Nicaragua.

U.S. STAND ON HIJACKING COULD JEOPARDIZE HOSTAGES

LD191017 Prague Domestic Service in Czech 0500 GMT 19 Jun 85

[Text] Washington -- The hijack of the U.S. airliner also marked President Reagan's White House press conference today. Our U.S. correspondent Vladimir Solecky reports:

[Begin Solecky recording] Right at the beginning of his press conference President Reagan announced measures for strengthening the protection and security of U.S. airliners and said the departments of transportation and foreign affairs had been enjoined in their implementation. By the way, the emphasis of these measures goes mainly against the Greek Government, which has been requested to provide an explanation of the circumstances of the U.S. airliner's hijacking. All U.S. airlines have been advised to suspend their Athens routes and, likewise, all U.S. tourists have been warned to avoid Athens airport. These measures could seriously damage the Greek tourist trade and consequently complicate the economic situation for the newly elected socialist government. Ronald Reagan went on to appeal to the hijackers to immediately release the hostages and added that the United States will make no concessions to the hijackers nor will it ask other governments to make them. [end recording]

This stance could jeopardize the release of the hostages in the nearest future. Therefore, immediately after it had been stated by Ronald Reagan, it was criticized by such well known political personalities as Jesse Jackson and former U.S. minister of justice [as heard] Clark. The urged diplomatic steps to facilitate the release of all hostages at Beirut airport in exchange for the release of Shi'ite prisoners from Israeli prisons.

CPCZ CENTRAL COMMITTEE DISCUSSIONS OUTLINED

LD182311 Prague Domestic Service in Czech and Slovak 1800 GMT 18 Jun 85

[Excerpts] The 15th session of the CPCZ Central Committee opened in the Spanish Hall of Prague Castle today. The CPCZ Central Committee deliberations continued in a discussion.

Comrade Vladimir Herman gave information on the results of labor efforts in the South Moravia Region. Despite unfavorable climatic conditions, the planned tasks in industry and agriculture are being implemented, and there exist all prerequisites for successful fulfillment and overfulfillment of the Seventh 5-Year Plan. At the present time, close friendly cooperation is developing in 13 industrial and agricultural enterprises that have partners in the USSR, which is bringing valuable experiences to both sides.

Comrade Ladislav Luhovy talked about the tasks connected with the development of automation, robotization, and introduction of computer technology in the production economic unit heavy engineering enterprise in Martin. He said that the Program of Long-Term Economic and Scientific-Technological Cooperation Between the CSSR and the USSR Until the Year 2000 provides wide scope for developing specialization and cooperation in production, as well as in science and technology. He also supported the proposal of the CPCZ Central Committee Presidium to convene the 17th CPCZ Congress.

Comrade Karel Henes stressed in his address the significance of intensification of the national economy and said that enterprises and factories in the Central Bohemia Region consider it their foremost task to increase their contribution toward socialist economic integration. Conditions have been created in the regional party organization for the preparation of the annual member meetings and party conferences as well as the 17th CPCZ Congress.

Comrade Gejza Slapka discussed matters of scientific-technological progress. The Bratislava city party organization is striving to have the capital of Slovakia built as a scientific productive and social complex in which higher dynamism of contributions towards society will be created by activating internal resources. He assured the Central Committee that the communists in Bratislava will use the precongress period for further improving the quality of work and for making a successful start on the Eighth 5-Year Plan.

Comrade Ladislav Adamec talked about the work with the young generation. He stressed, above all, the need to improve training of the young generation for practical life. Formation of an enterprising approach of the coming generation to implementing CPCZ policy and its conscious attitudes must be the concern of families and schools, as well as of society. Constant attention to the young generation is an expression of care not only for the present but the future.

Comrade Eleonora Hvizdosova supported the proposal to convene the 17th CPCZ Congress. She expressed the conviction that it will become an incentive for further development of political activity and labor initiative. For this, good prerequisites also exist in Topolciany District where, in the past 4 years of the Seventh 5-Year Plan, over- and above-plan goods were produced valued at Kcs315 million, which represents an 11-day production for the district.

Comrade Vaclav Sipek talked about the North Bohemian Region's fulfillment of the 16th CPCZ Congress tasks. He sees a great contribution in the fact that the fuel and power complex became a stabilizing factor in the economy of the region and the entire republic during the second half of the 5-year plan. He praised the great initiative of the mining collectives, some of which have already fulfilled the 5-year plan tasks.

Comrade Ladislav Abraham identified himself with the content preparation of the 17th CPCZ Congress. He assured the Central Commiteee that the Communists in the Revolutionary Trade Union Movement will do everything they can to have the trade unionists make a marked contribution toward implementing party policy, toward fulfilling the tasks of the current year, as well as the Seventh 5-Year Plan. He praised the significant initiative of the Prage city party organization on connecting science with production.

The CPCZ Central Committeee session will continue tomorrow.

POLISH DEFENSE MINISTER ARRIVES FOR VISIT

LD181044 Prague Domestic Service in Czech and Slovak 1000 GMT 18 Jun 85

[Text] A PPR delegation led by General Florian Siwicki, minister of national defense, arrived in Prague today on an official friendly visit at the invitation of Lieutenant General Milan Vaclavik, minister of national defense. The guests were welcomed at Ruzyne Airport by Lt Gen Milan Vaclavik and members of his collegium, representatives of the Ministry of Foreign Affairs, and other officials. Colonel General Ivan Voloshin, representative of the commander in chief of the Warsaw Pact Joint Armed Forces attached to the Ministry of National Defense, also participated in the welcoming ceremony.

Meets With Vaclavik

LD181430 Prague Domestic Service in Czech 1330 GMT 18 Jun 85

[Text] In Prague today Lieutenant General Milan Vaclavik, minister of national defense, received a delegation of the Polish People's Army led by Army General Florian Siwicki, minister of national defense of the PPR.

The delegation is on an official friendly visit to the CSSR. The ministers exchanged information about the fulfillment of tasks, about the results of economic and social development, and about securing the defense capability of their countries. The ministers also discussed issues concerning the further development of cooperation between the Czechoslovak People's Army and the Polish People's Army. They also pointed out the dangerous development in the present international military and political situation, which is a result of the aggressive policy of imperialist forces. They also stressed the strengthening of the combat readiness of the Warsaw Pact member-countries.

Visits Military College

LD191015 Prague Domestic Service in Czech 0900 GMT 19 Jun 85

[Text] The delegation of the Polish People's Army led by Army General Florian Siwicki, minister of national defense of the PPR, currently on an official friendly visit to the CSSR, today visited the ground forces military college at Vyskov. The delegation was accompanied by Lieutenant General Josef Martinec, deputy minister of national defense. Lt Gen Zdenek Havala, commander of the college, briefed the Polish guests on the college's history and its present education and training organization, which prepares new commanders for the ground force units of the Czechoslovak People's Army. The members of the delegation inspected the Hall of Combat Traditions and lecture halls of various departments.

SOLIDARITY SPEECH TO ILO CAUSES WALKOUT

LD182153 Prague CTK in English 1833 GMT 18 Jun 85

[Text] Geneva June 18 (CTK) -- Secretary of the Czechoslovak Central Council of Trade Unions Viliam Kozik voiced protest at the 71st general conference of the International Labour Organization (ILO) here against the fact that a representative of the illegal Polish organization "Solidarity" delivered a speech at a session of one working group of the conference.

In the name of the socialist countries' trade unions, the Czechoslovak trade union official stressed that new trade unions have been formed in Poland which associate more than six million people, and are real representatives of the Polish working people. On the contrary, the "Solidarity" official represents forces seeking to destabilize and disrupt the socialist system in Poland. This does not help create an atmosphere of understanding, and runs counter to the interests of the working people, Viliam Kozik pointed out.

In support of this attitude and as a manifestation of the condemnationof this provocation, more than 50 representatives from socialist countries, Latin American and other developing countries walked out.

CONTROL COMMITTEE DISCUSSES, REFERS REPORTS

AU171050 Prague RUDE PRAVO in Czech 15 Jun 85 p 2

[Text] Prague (CTK) -- The CSSR's People's Control Committee discussed on 14 June three weighty reports under the chairmanship of Frantisek Ondrich, minister and chairman of the committee: the report on the control of results achieved in realizing the Set of Measures on preventing unjustified enrichment and on ensuring more effective property sanctions and sanctions against property benefits from dishonest sources, and the analysis of facts acquired in settling complaints, reports, and suggestions submitted by the citizens to state and economic bodies and organizations in the CSSR in the year 1984.

During the afternoon session, also attended by Pavol Bahyl, federal minister of general engineering, the committee discussed the report on the results of the fulfillment of tasks set for ensuring the conclusions of the eighth CPCZ Central Committee session on the speedier implementation of the results of science and technology in practice in the sector of general engineering.

The CSSR's People's Control Committee adopted draft measures on all the reports under discussion and decided to submit them to the CSSR Government for assessment.

SLOVAK CONTROL COMMITTEE VIEWS COMPLAINTS

LD181349 Bratislava Domestic Service in Slovak 1030 GMT 18 Jun 85

[Summary] Officials of the Slovak People's Control Committee held a press conference today in Bratislava. The aim of this conference was to inform journalists about the analysis of findings from processing complaints, reports, and suggestions of citizens. In 1984, the Slovak ministries, other central bodies, and local authorities received over 37,000 complaints, reports, and suggestions. About 43 percent of these complaints were justified and this reality reveals that shortcomings are not treated with indifference.

The main complaints included the protracted process and inefficiency in dealing with the affairs of citizens, bad management of housing stock, insufficient standards for customer services, and price violations. Based on 13,000 justified and partly justified complaints, the ministries, central bodies, and local authorities imposed almost 8,500 cases of sanctions and other measures.

Today's press conference also pointed toward a continously growing number of anonymous reports. Only last year, 5,500 such reports were received. Most of them pointed to abuse of power, price violations, and behavior and activity of officials. Continuous justification of the contents of these anonymous letters, which last year reached a staggering 35 percent, is also an important aspect of this problem. Its existence indicates that conditions for open and targeted criticism have not yet been created.

ENERGY COMMISSION DEBATES FUEL, POWER SITUATION

LD181513 Prague Domestic Service in Czech 1430 GMT 18 Jun 85

[Text] The Energy Commission of the federal government was in session in Prague today. Its deliberations were chaired by its chairman, Deputy Federal Premier Ladislav Gerle. The commission discussed the situation of fuel and power supplies to the national economy and to the population in the past and securing deliveries in the third quarter of the current year. It noted that the stocks of industrial coal are growing faster than previously expected. The supplies of other kinds of fuels and electric power are smooth.

PRAGUE INCREASES PRESSURE ON CATHOLIC ACTIVISTS

AU170959 Vienna DIE PRESSE in German 15-16 Jun 85 p 2

[Report by "D.V."]

[Text] Vienna/Prague -- The persecution of Slovak Catholics by the CSSR authorities is obviously being more and more intensified. Only recently three young believers were sentenced to prison terms by a Bratislava court for "smuggling" religious literature, and now the state security service is prepared for another blow against the Catholic Church:

At the same time that seven Catholic activists were arrested in Prague, Olomouc, and other places and their apartments were searched, secret police in Bratislava carried out similar house searches at the homes of lawyer Jan Carnogursky and his father, a 77-year-old historian.

On this occasion numerous religious books and periodicals of both domestic and foreign origin were confiscated. A colonel of the state security service, who did not want his name revealed,did not refrain from most rudely abusing the old scientist: It would have been better, he said, if Carnogursky had been killed by the Germans during World War II for the aid he rendered to Jews. Since last February, Carnogursky has received anonymous letters and postcards and threatening telephone calls.

Meanwhile, the following of, and keeping watch on, prominent Charter 77 activists is being more and more intensified and has caused indignation not only among the persons concerned but also among ordinary citizens. Thus the inhabitants of several southern Bohemian villages witnesses how the present Charter 77 spokeswoman and writer Eva Kanturkova has been constantly kept under surveillance during her walks with her dog or even during her visit to the village cemetery, by three squad cars manned by about a dozen policemen.

Former CSSR Foreign Minister Jiri Hajek, who held this office in the Dubcek era, was most strictly guarded not only in Prague but also at his country house, and was not even permitted to buy a railroad ticket at the station. If one is not permitted to receive any visitors or to leave one's apartment, then such surveillance is tantamount to a confinement to quarters, declared the three current Charter 77 spokesmen in their latest letter of complaint addressed to CSSR chief Lubomir Strougal. This is a disgrace not only in the eyes of the country's own citizens, but also everywhere abroad, they wrote.

BRIEFS

INTERNATIONAL CONFERENCE ENDS -- The international conference entitled "Socialism and the Global Current Problems" ended in Prague today. In the final statement, representatives of the socialist countries' academies of sciences, together with those of some international institutions and a group of scientists from the Western countries, appealed to the world public to unite its efforts in solving mankind's global problems on a rational and human basis. [Text] [Prague Television Service in Czech and Slovak 1730 GMT 6 Jun 85 LD]

FINNISH ENVOY CONCLUDES TOUR -- Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, today received Antti Karppinen, the ambassador of the Finnish Republic to Czechoslovakia, in connection with the end of this tour of duty. [Text] [Prague Domestic Service in Czech 1030 GMT 18 Jun 85 LD]

TISCH ADDRESSES PARIS TRADE UNIONIST MEETING

LD182228 East Berlin ADN International Service in German 1831 GMT 18 Jun 85

[Excerpts] Paris, 18 Jun (ADN) -- The FDGB delegation under FDGB Chairman Harry Tisch, member of the SED Central Committee Politburo, attended a meeting of international solidarity and friendship with Paris trade unionists in Paris on Tuesday evening. Henri Krasucki, general secretary of the General Labor Confederation [CGT], in his speech congratulated all FDGB members on the 40th anniversary of the FDGB, which coincides with the 40th anniversary of the victory over Hitler fascism, which liberated the German people. He paid tribute to the importance of the agreement to defend peace signed by the CGT and FDGB 35 years ago.

Harry Tisch recalled the shared traditions of the German and French working class in the fight against war and fascism. We are proud, he said, that German communists and anti fascists joined the finest sons and daughters of France in fighting against the danger of war and later in the resistance fight for liberation and peace. That was the root of the developing relationship between both nations and states.

He said that the 1950 FDGB-CGT agreement opened a new chapter in the relations between the working classes of both countries. Both trade union federations have always remained faithful to the traditions of freedom and peace, anti fascism, and international cooperation. "We follow this tradition and we shall continue on our good path unswervingly." He referred to the Geneva negotiations and said that the international trade union movement bears a special responsibility in this situation. "We must dedicate ourselves to accomplishing mankind's basic task, to secure world peace on a permanent basis."

1985-86 PROGRAM FOR TRADE WITH FRANCE ADOPTED

LD181806 East Berlin ADN International Service in German 1332 GMT 18 Jun 85

[Text] Paris, 18 Jun (ADN) -- The eighth session of the joint GDR-French commission headed by its two chairmen, State Secretary Dr Gerhard Beil, member of the GDR Council of Ministers, and Philippe Jurgensen, head of the Foreign Economic Relations Section in the French Ministry of Economy, Finance, and Budget, took place in Paris on 17 and 18 June.

The two sides gave a positive assessment of the development of foreign trade and economic relations since the seventh session of the joint government commission in 1983. A constructive approach and the desire of both sides to expand and develop economic relations has contributed to a high level of continuity and dynamisn in relations, which are expressed in annual growth rates of trade that compare well with international standards.

The session was particularly important in that it took place immediately after the talks between Erich Honecker, general secretary of the SED Central Committee and chairman of the State Council, and French Prime Minister Laurent Fabius during the latter's official visit to the GDR.

The two sides discussed comprehensive measures for further acceleration of the development of trade with the application of new forms and methods of economic cooperation, both in bilateral relations and in third-party markets.

The eighth session of the joint government commission adopted, in the spirit of the agreements reached, a working program for 1985-86, in which concrete measures for the development of foreign trade and economic relations between the GDR and France are set out.

During his stay in Paris, Secretary of State Beil met Edith Cresson, the French minister of industrial redeployment and foreign trade, for a talk. It was attended by GDR Ambassador to France Alfred Marter.

KOHL SPEECH AT SILESIAN RALLY CRITICIZED

AU181721 East Berlin NEUES DEUTSCHLAND in German 17 Jun 85 p 2

[A.Z. commentary: "Blind to all Realities"]

[Text] People in Europe continue to rate the meeting of the FRG's professional Silesians staged in Hannover over the weekend as a spectacle of diehards and inveterates. In this context, concern, indignation, and headshaking in both East and West is caused by the fact that the FRG chancellor not only participated in this meeting but that he was the main speaker at the event, after rabble-rouser and chieftain of the Silesian ethnic association Hupka.

The "chief" ["Ober"] Silesian Hupka had already set the tone for the rally with shameless attacks against the postwar arrangement in Europe, which was settled by treaties and which ensures the peace of all European peoples. Thus he again leveled the demand that "a German Reich be reestablished within the borders of 1937," a demand which flies in the face of all political realities. He had the impudence to state that Silesia is and remains a part of Germany. These revanchist attacks of his on the European treaty system and against the interests of all European peoples living in secure borders and in peace were not officially contradicted by Bonn.

As is well known, Chancellor Kohl threw to the winds advice and warning from home and abroad, and even from his own government coalition, not to let himself be used as a tool by the professional Silesians and attended the meeting anyway. Characteristically enough, other chancellors have always avoided this in the past. After Hupka, Kohl delivered a speech full of contradictions. By not clearly and unambiguously putting their places those forces in the FRG that are bent on a revision of the postwar borders, and by referring to dubious "legal positions" instead of to international legal arrangements in Europe, he stirred up dangerous illusions.

It is true that Kohl stated that the FRG does not make territorial claims, and he asserted his efforts for a reconciliation and loyalty to the Eastern treaties, but at the same time he supported the unrealistic thesis of the not yet final nature of the present borders. Hans-Jochen Vogel, chairman of the SPD Bundestag Group illustrated Kohl's ambiguous statements by saying that both rabble-rousers and realists can equally well refer to them.

Putting aside all trimmings, one can say that Kohl basically upheld the untenable thesis of a German Reich within the borders of 1937.

Such an attitude and policy is today more unrealistic than ever. As early as 35 years ago it had already suffered a complete failure. Forty years after the crushing of fascism, one can seriously doubt that the German Reich of 1937, that is, the Nazi empire, irrevocably came to an end in the fire of World War II. Two mutually independent German states, sovereign in both their domestic and foreign affairs, have emerged from its ruins. They are fully qualified members of the UN world organization and are affiliated with different alliance systems.

People in Bonn should instead listen to what was said at the protest rallies in the FRG of trade unionists, Social Democrats, communists, and representatives of peace initiatives and Christian associations.

All of these protests accompanied the meeting of the professional Silesians. The writer Wolfgang Bittner stated at a meeting that the revanchists should particularly note the fact that the "Greater German Reich" died once and for all in the war unleashed by Hitler. Other speakers of the SPD, the DKP, and the Greens resolutely opposed all forms of border revision and war preparations and demanded that the FRG's treaties with the USSR, the PRR, and the GDR be strictly complied with.

Indeed, demonstrations of failure to come to terms with the past, as manifested by the Silesians in Hannover, are not conducive to positive change on our continent in view of the dangers to peace arising from the policy of the arms race and confrontation. What Europe needs is to preserve the results of the policy of detente of the first half of the seventies and a return to cooperation and detente in general. But dreams divorced from reality, combined with the idea of a border revision, are the most unsuitable means conceivable to attain this end.

DKP's Mies Comments

LD181526 East Berlin ADN International Service in German 1136 GMT 18 Jun 85

[Text] Dusseldorf, 18 Jun (ADN) -- In a statement on the presence of FRG Federal Chancellor Helmut Kohl at the meeting of the "Silesian Regional Associations" in Hannover, DKP Chairman Herbert Mies said the following:

"The DKP and all peace-loving democratic forces in the FRG believe their democratic protest is vindicated by the course and events of the 'Silesians' rally'. Those who, like Hupka and other revanchist leaders, make claims on the territories of sovereign states and who wish to reverse the historical events of World War II are pursuing a course of extreme revanchism. This policy of extreme revanchism and confrontation must be countered by all democratic forces since it is directed against the vital peace interests of our people and the European peoples.

"By taking part in the revanchist rally on 'forty years of expulsion -- Silesia remains our future in a Europe of free nations,' Federal Chancellor Kohl has disregarded the protests of democratic and peace-loving public opinion in the FRG and abroad. Indeed, he has disregarded warnings from his own political camp. As a result of this and his refusal to oppose the demands of the most aggressive, revanchist forces, he has considerably damaged the credibility of the FRG's peace policy and international standing.

Federal Chancellor Khol has not distanced himself from the views of revanchist leaders, according to whom the border question is just as open as the so-called "German question." He has not opposed the questioning of postwar realities by references to maps dating from 1937. He has, whether intended or otherwise, encouraged the revanchist organizations to justify and continue their peace-endangering, revanchist policy.

"After his speech at the 'Silesians' really,' Federal Chancellor Kohl must more than ever face the question: How is one to view the contradiction between talk of the inviolability of borders on one hand while, on the other hand, the issue is deliberately kept open? What is the position of the federal chancellor and his cabinet on the Warsaw Pact, which recognizes the borders of the PPR in international law? What is the federal chancellor's position on adherence to treaties with other socialist states? Where does he stand with regard to the statement he made together with Erich Honecker, chairman of the GDR State Council, which affirms that present borders and the integrity and sovereignty of all states are of fundamental importance for peace?

"The course and outcome of the revanchist rally and Federal Chancellor Kohl's presence have shown again that peace-loving democratic forces must thwart the most aggressive and revanchist circles in the FRG and fight for a policy of realism and reason. All those forces that want to force the FRG toward revanchism and revision of the results of World War II must be countered by a steadfast policy of peaceful coexistence and of fleshing out and respecting treaties."

HOFFMANN, HUNGARIAN GENERAL DISCUSS COOPERATION

DW190953 East Berlin Television Service in German 1730 GMT 18 Jun 85

[Text] Army General Heinz Hoffmann, defense minister and SED Central Committee Politburo member, and Lieutenant General Sandor Racz, deputy minister of national defense, discussed today the further deepening of friendship and cooperation between the National People's Army and the Hungarian People's Army. Army General Heinz Hoffman paid tribute to successful development of the class and arms alliance between the two fraternal armies.

MORMON CHURCH TIES 'CONSTRUCTIVE, BUSINESSLIKE'

LD181059 East Berlin ADN International Service in German 0753 GMT 18 Jun 85

[Excerpts] Berlin, 18 Jun (ADN) -- The old Erzgebirge town of Freiberg (GDR bezirk of Karl-Marx-Stadt), previously known for its oldest mining academy in the world, its late Gothic cathedral, and a town center that is under a preservation order, has become one site richer. The first temple of the Church of Jesus Christ of Latter-Day Saints (the Mormon Church) was completed here at the beginning of May after 2 years of building. It is the 47th temple of the Mormons in the world and the 4th in Europe, after Zurich, London, and Stockholm.

The completion of construction was followed by around 14 open days, which were used by many citizens to view the temple. The approximately 5,000 Mormons in the GDR consider themselves part of the worldwide Mormon Church, which embraces about 5 million members and arose in the United States in 1830. The city of Salt Lake City and the U.S. state of Utah were founded by Mormons.

The official laying of the final stone and dedication of the Freiberg temple is planned for 28 June in the presence of representatives of the state, with whose support the building was erected, and representatives of the highest executive body of the mother church, which has its headquarters in Salt Lake City. After this, the temple will be closed to the public and will only be used for religious activities.

The future temple president, a member of the Mormon Church in the GDR, was trained for his tasks in a several-month course at a temple in the United States with the agreement of the GDR authorities. He also completed a period of practical training in Switzerland.

Up to 1990, representative community centers of the Mormon Church, in which the everyday religious life of the church communities will be conducted, will be built in other towns in the GDR with state support, including Berlin, Erfurt, Dresden, Leipzig and Karl-Marx-Stadt.

Relations between the GDR authorities and the Mormon Church are developing on the basis of a businesslike and constructive relationship and are characterized by mutual trust.

SINDERMANN ADDRESSES WORLD COOPERATIVES MEETING

LD172223 East Berlin ADN International Service in German 1703 GMT 17 Jun 85

[Text] Berlin, 17 Jun (ADN) -- Today in Berlin Horst Sindermann, vice chairman of the GDR Council of State, president of the People's Chamber, and member of the SED Central Committee Politburo, praised the contribution to peace and social progress of some 500 million cooperative members in 60 countries organized in the International Cooperative Alliance (ICA). During a talk with the ICA Executive Committee under its president Lars Marcus from Sweden, Sindermann referred to the ICA's aims: to work for lasting peace and security, to foster the economic and social progress of workers in all countries, and to consolidate the friendly and economic relations of cooperative organizations on the international level. He told them: "The GDR in the center of Europe ardently longs for peace for our country and the world and will always be at your side. We see it as our foremost task to make an active contribution to ending the arms race and preventing an arms race in space. We are hoping, like all people in the world who are serious about peace, that the Geneva negotiations between the USSR and the U.S. will yield positive results."

He cited examples of cooperative endeavors in the GDR to illustrate the great contribution of these organizations to economic development and the solution of social tasks. Cooperatives, specifically in agriculture and trade, are an everyday feature in the GDR and receive all necessary help and promotion from the state.

On behalf of the ICA, Lars Marcus expressed thanks for the friendly reception and excellent working conditions and set out the key points to be discussed by the ICA Executive Committee at its Berlin meeting. They include initiatives by cooperative members in 1986, proclaimed by the UN as the Year of Peace, measures to foster cooperative development programs in the liberated nations, and proposals to implement the ICA "Resolution on Cooperatives and the Global Problems of Our Time."

The executive committee comprises representatives of cooperative organizations from 16 countries in Africa, Asia, Europe, and North America.

SYRIAN MILITARY DELEGATION MEETS DEFENSE OFFICIAL

AU171047 East Berlin NEUES DEUTSCHLAND in German 14 Jun 85 p 2

[Text] East Berlin (ADN) -- On 13 June Colonel General Werner Fleissner, deputy minister of national defense, received on behalf of Army General Heinz Hoffmann, minister of national defense, a delegation of the Armed Forces of the Syrian Arab Republic headed by Division General Mohammad Sayyid al-Homsy for a friendly exchange of opinions. The guests expressed their satisfaction about the GDR's solidarity and aid the anti-imperialist and anti-Zionist struggle of the Syrian people and to a just solution of all problems in the Arab region. The Syrian delegation visited teaching and training institutions of the National People's Army and acquainted itself with the high efficiency of the training.

COOPERATION COMMISSION SESSION WITH USSR OPENS

For reportage on the meeting in Moscow of the USSR-GDR Governmental Commission for Economic, Scientific, and Technological Cooperation, including meetings between the head of the GDR Delegation, Gerhard Schuerer, and the head of the Soviet side, Aleksey Antonov, deputy chairman of the USSR Council of Ministers, see the Eastern Europe section of the 18 June Soviet Union DAILY REPORT and subsequent issues.

BUDAPEST TV VIEWS TWA HIJACKING DEVELOPMENT

LD182235 Budapest Television Service in Hungarian 1730 GMT 18 Jun 85

[Text] The United States has dispatched several units of its 6th Fleet stationed in the Mediterranean to the Lebanese coast. The archive film seen here shows the aircraft carrier Nimitz, the cruiser South Carolina, the helicopter carrier [name indistinct], and the battle ships Nashville and [name indistinct] that are carrying landing craft and are capable of putting armored vehicles on the beach. It is reported that these vessels are capable of ferrying 4,000 soldiers to the shore. All the signs appear to indicate that the United States is preparing for a possible military action under the pretext of the hostage crisis. Although it is denied in Washington that such a step is being prepared, if our memory does not fail us precedents exist, such as in Iran during Carter's reign.

U.S. Secretary of State Shultz has stated categorically that they will not negotiate with the terrorists. The affair of the hostages has thus become a sort of catalyst in the tensions and conflicts prevalent in the Middle East and has placed the international dimensions of the entire Near East and Middle East question in the forefront. The aircraft of the Trans World Airlines is now at Beirut Airport after a series of dramatic adventures. The hostages -- about 30 of them -- have been taken from the aircraft and are being held captive at an unknown location.

Nabih Berri, leader of the Shi'ite group Amal -- seen here together with Demis Roussos, who has, in the meantime, been released -- told reporters that the other hostages would be freed if the 700 Shi'ites were released from Israeli prisons.

Ronald Reagan makes daily appearances before the public to assure Americans and relatives of the hostages that Washington wants to promote the release of the captive U.S. citizens with resolute actions.

The world is intensely watching the events in the Middle East and Mediterranean basin. There is well-founded suspicion that this is a provocation which could serve as a pretext for pressurization and even worse. All this is happening when relations between Egypt and Israel have been cool for a considerable time, when Numayri's regime has been toppled in Sudan, and when intense fighting has flared up in Lebanon between Arafat supporters backing the Jordanian-Palestinian separate deal and its opponents. The Shi'ite Amal movement, which has identified itself with the demands of the hijackers, is extremely heterogeneous. Along with the nationalist forces, the movement also includes religious fanatics and agents of Israel and the United States.

'OUTLINE' OF SEVENTH 5-YEAR PLAN PUBLISHED

AU170801 Budapest MAGYAR HIRLAP in Hungarian 4 Jun 85 Supplement p 1

[Report: "The Outline of the Seventh 5-Year Plan"; "Prepared on the basis of the briefing delivered on 16 May 85 to the National Assembly by Lajos Faluvegi, deputy premier of the Council of Ministers and chairman of the National Planning Office, to the MSZMP country secretaries responsible for economic policy matters. (Edited text)": contained in special supplement of MAGYAR HIRLAP "Forum of Councils"]

[Text] The Sixth 5-Year Plan period will come to an end this year. The 13th MSZMP Congress recently drew up a balance-sheet, as is customary in cases like this, concerning the development of our society and economy.

The MSZMP, by preparing the draft on a real and encouraging program, provided in its resolution the guidelines for the main trends of social and economic development.

I could not possibly analyze the past period in this speech. But I think that, before I mention the tasks of the Seventh 5-Year Plan, it will be useful to call attention to some important lessons drawn from the current planning period.

It is justified and understandable that society desires a blossoming of the economy and an easing of tensions. We cannot avoid fulfilling this expectation! We have to form our plans so as to satisfy this desire.

It has been acknowledged all over the world that we have succeeded in maintaining our solvency and improving our foreign trade balance year after year. But we cannot flatter ourselves with false hopes that our national economy -- both structurally and in terms of performance -- has already been adjusted to the new requirements of the world economy. The balance sheet cannot be considered good until it is based on a constant and profound structural renewal.

During the past few years society has been blaming our planners for drawing too pessimistic a picture. But ultimately life has proven that our plans were optimistic. This has been a vindication of the particular planners' concept which does not allow us to fall into the tempting trap of optimism. If we had committed this error, we would again have had to retreat from our aims. The results will be more favorably received by the people if our mobilizing aims are carried to the end by continuing along a straightforward path.

Almost 3 years ago we started to draw up the Seventh 5-Year Plan for the years 1986-90. The new characteristics of this plan are to rely on a wider social basis than previously. From the beginning, based on cooperation agreements, social and interest-supporting bodies and numerous scientific associations have been taking part in this planning work. Thus, even in the planning phase the concepts of the plan could be confronted with the interests and ambitions of the various social strata and groups. In mid-April the Council of Ministers approved the National Planning Office proposal regarding the outlines of the Seventh 5-Year Plan. I will base my briefing on the contents of the plan outline.

1. Foreign Trade Conditions and Aims That Can Be Set in the Plan

Basically, the main question of our development during the period of time facing us is as follows: Are we able to meet the requirements, in terms of both quality and the modernity of falling into line with the world's economy? Far-reaching structural changes are taking place in world economy and if the Hungarian economy cannot adjust itself to these changes as soon as possible, we will inevitably lose ground in the world.

In order to create a firm basis for our aims in the economic policy of the Seventh 5-Year Plan, it will be our primary task to further improve our economic cooperation with the CEMA countries. Because of its size and nature the USSR holds a prominent place in our economic cooperation.

At the 1984 economic summit conference of the CEMA countries, bearing in mind further consolidation of the basis of economic relations, the tasks formulated comprise harmonizing economic policies that regard coordination of our national economic policies as the main instrument in improving economic, technical, and scientific relations.

More than 2 years ago the CEMA countries started to coordinate the concepts of plans for 1986-90. At present we are in the initiatory phase of the second coordinating period. The stage of planning work is roughly the same level in all member-states. It has been our experience that the CEMA countries are looking for motivating forces from the extended foreign trade among these countries that -- together with internal factors -- will increase the advancement of each member-state.

One of the pivotal points in the Seventh 5-Year Plan under preparation is that, based on coordination of plans, it is possible to maintain the 1985 level in the quantity of purchased energy sources and raw materials. This is very important in creating a firm foundation for our plan and for envisaging a possible economic growth that will better stress the requirement for sensibly saving energy and resources. We must increase the ratio of exporting articles of the food and light industries in exchange for imports of energy and raw materials.

By 1990, compared to 1985, the value of our total trade with the CEMA countries will probably increase by 12-14 percent in comparative prices. Within this framework our exports will increase faster than our imports because of the previous currency devaluation. Looking at the whole of the next 5-year plan period, overall trade may exceed the trade of this current plan period by 20 percent. These figures do not represent much of an increase but rather a more steadily attainable one.

In our fatherland and in the other CEMA countries cooperation potentials now exist that will expedite the course of modernizing the production structure. With extreme fluctuations from country to country the ratio of trade based on agreements for production specialization and production cooperation reaches an average of 25 percent. Among the multilateral agreements cooperation has been established in nuclear energy machinery production that is of special significance for the technical improvement of the socialist countries. Thus we plan to continue building the Paks nuclear power station. Within the manufacturing industry the ratio of cooperative relations and the production of semi-finished goods must be expanded. In order to expand the manufacturing industry's specialization and cooperation we consider it important to reserve a greater role for direct relations in production and foreign trade between enterprises.

During the next few months, apart from comprehensively expanding the plans for the exchange of goods, we also consider it necessary to conclude agreements with reference to the conditions of our credit relations. Within the framework of economic cooperation with the USSR, we are just beginning to examine the situation as to how much we should participate in certain investments in energy projects and the industrial production of basic materials through which we would satisfy our requirements on a long-term basis. We can continue to increase our imports of energy by importing energy from the USSR in exchange for considerable contributions to investments, but still at better conditions than from elsewhere. We must pay attention to these investments even when we are planning the resources that can be tapped domestically during the mid-term planning period.

On the one hand, a comparison of the plans carried out jointly with the CEMA countries shows that the outline of the Seventh 5-Year Plan can be realized by following the relative concepts mentioned above, and this will even make it possible to attain a firm economic growth. On the other hand we have arrived at the conclusion that we must steadily develop our cooperation. We cannot consider the work finished by just signing agreements for the years 1986-90. This is because the capacity of our enterprises, especially that of the machine industry, would allow further increases in exports, but the basic conditions for such increases do not exist because of the situation with energy, basic materials, and imports of spare parts.

We will continue coordination in all those areas where we, together with our partners, see a way to improve mutually favorable economic cooperation and develop new production-related participation. Comparisons of plans have reaffirmed that the CEMA countries remain steady markets for our goods. At the same time it has been more firmly stressed that our goods must face higher requirements in regard to quality and modernity.

We can successfully adjust to the increasing requirements of cooperation within CEMA if in other respects, too, we are able to establish the most advantageous method of our adjustment to the world economy. Making use of the possibilities inherent in the different circumstances and in the coincidence of interests, we can acquire so-called comparative advantages in our foreign trade with various countries. In certain spheres the economic growth of the developed capitalist countries and of the developing world promises somewhat more favorable conditions for this than previously.

The economic recovery that has begun in the developed capitalist countries promises to be relatively lasting, although one cannot dismiss the possibility of some regression occurring in the coming years. (There are already certain signs of this in some places). The main geographic locations of this recovery and the structure of its demands are, however, not all advantageous for us. According to current predictions, technological progress will be fastest in the United States, Japan, and other countries of the Pacific area, and most probably the economies of these countries will grow fastest. Market conditions expected in the West European countries that represent our main markets are, however, less promising. In addition, our prospects are also harmed by the fact that -- as a result of the planned expansion of the Common Market -- we have to wage an increasingly harsh competitive struggle to export several of our traditionally important goods. We also have to take into account the fact that there is primarily an increase in the demand for products that make use of the achievements of modern technology, products with lower specific energy and material requirements, both in manufacture and utilization. We can, therefore, hold our ground on these markets only if the range of our product and our market activity are able to adapt to the above-mentioned trends.

We have always regarded the development of our political and economic relations with the developing countries as important, and we are attaching increasing importance to this. We must be aware, however, that the economic growth of the developing world continues to be characterized by extremes. Since the fastest growth will most probably take place in countries a considerable distance away from us, it is not easy for us to take advantage of this. Concerning countries that can now be regarded as our traditional partners, their capacity to pay for their requirements has lately decreased due to changes in economic and political circumstances. Unfortunately, we can hardly count on a shift that would be economically advantageous for us. For interest in our products to lead to serious transactions, there is a need for considerable financial background. Therefore, we can increase our presence on the markets of developing countries by making use of the changing possibilities in a flexible way, through new types of production, trade, and financial cooperation.

In developing foreign economic relations with the developed capitalist countries and the developing countries, we have to bear in mind that the international assessment of our country's performance and our related credit-worthiness can further improve only if we consistently continue our efforts toward consolidating our balance. These efforts, coupled with adequate currency reserves and active relations with international financial organizations, can provide security even if the international financial situation were to take an unfavorable direction. We will obtain real security by improving our competitiveness: We increase the income deriving from exports and, using a part of this income, we further reduce our debts, while at the same time -- through our international credit relations -- we make the structure of this stock of debts more favorable. Therefore, for a few more years we have to continue to reduce our debt servicing burdens (the joint total of the interest and the annuity).

In the course of planning activity we have arrived at the conclusion that by the end of the decade the external circumstances influencing the Hungarian national economy will be somewhat more favorable as a whole that it was in past years. Although foreign economic conditions do not yet exert a discernable compelling force on us, there has already been an important change in that they do not put unsurmountable barriers in the path of our growth. However, we have to take into account temporary set-backs and renewed difficulties. Foreign economic requirements will, therefore, not be smaller. The nature of our tasks, however, will be slightly different than previously. In the future the development of foreign economic relations will be less connected to solvency. Our keeping pace with accelerated technical and scientific progress will most probably become the most important condition for our development. Starting from this premise, the outlines of the Seventh 5-Year Plan should focus on laying the foundations for accelerating our economic and social development, together with further consolidating the balance.

Thus, the main economic policy efforts taking shape in the plan outlines are as follows:

-- As we do not have extensive resources for growth, the main goal is for our economic activity to be fully inspired by the requirements of intensive development. In this way our economy's income-producing capacity should strengthen and its performance should increase. The condition for this is that the structure of our economy should adjust to the changes in the world economy, the export capacity of its products should improve, and efficiency in the widest sense of the world should increase. For this we have to modernize our economy continously, constantly, and comprehensively by adapting as quickly and as efficiently as possible domestic and foreign scientific and technological achievements to production and our entire economic activity.

-- We have to further improve and consolidate the balance of the national economy, regarding both the foreign and domestic conditions. Learning from our own experience, but mainly from that of others, we know that sustained development requires healthy economic and financial circulation. Therefore, we have to achieve a balance that is created and maintained in a natural way and not at the expense of outstanding efforts and repeated interventions.

Starting with the economic realities and fulfilling the social expectations, we have to gradually increase economic development. Increasing our exports continues to be a task of outstanding importance but this must be followed be an increase in domestic market activity. We can set the goal of accelerating economic growth only if we fulfill the above mentioned requirements of efficiency and balance. The results of the planning activity so far prove that there are realistic possibilities for a development founded this way -- and only this way!

-- The need to improve efficiency and our balance and to accelerate our economy on this basis means that further development of the economic macromanagement system must also be placed among our economic policy goals. By constantly modernizing the means of management, we have to create a social and economic environment that encourages and at the same time enables a sustained balanced economic development of accelerated pace.

Domestic consumption: Consumption and accumulation -- adjusting to possibilities and creating conditions that depend on us -- can start growing. In the framework of consumption -- in harmony with our production modernization efforts -- we are justified in increasing first of all the proportion of production accumulation. We also pay close attention to our goal of simultaneously and perceptibly increasing our people's standard of living and genuinely easing the most urgent social tensions.

There are three main conditions for a good plan to emerge based on a plan outline. First: Based on the results achieved so far, we have to derive more resources for our growth from planning coordination within CEMA and other areas of foreign economic relations. Second: We still have to find the lever that best serves the improvement of efficiency and the distribution proportions that better approach the social and economic optimal pattern. Finally: We are still confronted with the implementation of this year's national economic plan. At the beginning of the year we had to cope with the consequences of a harsh winter and it seems that we will have to face new losses in our foreign trade prices in production because of the former difficulties -- mainly in generating incomes, because of the latter. The bulk of the year is still ahead of us. There is the potential for making up for losses in most areas. Depending on this is whether we will have to carry surplus burdens over to the coming years and as a result delay development.

2. Production, Employment, Investment

It was mentioned that the Hungarian economy cannot make itself independent of the changes in external circumstances. In the same way -- naturally in a way partially determined by external conditions -- it is possible for the pace of our internal social and economic development to be different. It would be useless to precisely predetermine and "forecast" all this. We should, however, sketch out well in advance the most likely conditions and the realm of conceivable changes. Accordingly, we have formulated three planning versions within the outlines of the Seventh 5-Year Plan.

In the course and details of the planning activity so far, a social politically acceptable economic development version crystallized that can be regarded as a basic draft, on a level that our current knowledge allows us. We regard the core of the previous planning activity as lying in this version and concentrate our attention primarily on elaborating the conditions of this version. (In addition, we have worked out a so-called alternative version -- starting from similarly unfavorable external conditions as in previous years -- and also a version based on attaining such favorable economic results and counting on a more accelerated domestic development.)

What are the characteristics of the basic draft? It provides that by 1990 net national production will increase by 14-17 percent compared to that of 1985. This growth is bigger than that of the current plan period, and we believe that it will be close to the expected average of the economic growth of our continent and of the CEMA member-countries. According to the calculations that have been made so far, domestic consumption could increase by 13-16 percent in 5 years (by an average 1.5 percent annually), including an 8-10 percent increase in the population's consumption and a 24-27 percent increase in the national economy's investments by 1990, compared to 1985 (an annual average of 2 and 4-5 percent respectively).

Searching for methods and conditions for attaining the goals set, those performing the planning activity strove to outline the entire plan period and its characteristic phases. Flexible planning requires that we distinguish not only the various economic conditions but also the various time phases. The experience of past years has taught us that economic processes cannot be divided into present, rigid, chronologically-differentiated 5-year plan periods. This is expressed, for instance, in the fact that there will no longer be any need to continue to increase the balance surplus of the foreign trade turnover in the first phase, compared to that planned for 1985. In the second phase it can perhaps even be reduced. As we see it today, we can divide the development of our economy up to 1990 into two phases of different natures:

-- The consolidation process that has been going on ever since 1979 can end by the end of 1987, and at the same time it will be possible not only to start but also to lay the foundations of a lasting development. In the course of these 2 years, all economic policy and economic management measures that are indispensable for a gradual acceleration of development can still be taken. Much will depend on how much performance economic management can squeeze out of the economy and on the extent to which the enterprises can improve their efficiency.

-- Today we can determine only approximately the time of phase change, but depending on the results achieved in the first phase, the years 1988-1990 could already show more firm signs of economic development: The economy could grow at a more accelerated pace and the level of investments and standard of living could increase more perceptibly.

We believe that it is practical in the final analysis to work out and approve the intermediate-term plan as a combination of the versions and phases. If our expectations prove to be true, then according to our calculations the rate of increase in net national production or domestic consumption in the second phase could in all three planning versions be faster by about one-third than that of the first phase.

In our quickly changing world, 5 years is too long a time to commit ourselves about everything in advance. Therefore, it is our intention to make more detailed government decisions only for the first phase. We will be able to finalize the part of the decisions referring to the second phase after reviewing the so-called half-time evaluation; therefore, in shaping the plan we will be open to suggestions in this respect.

3. Tasks in Production and Employment; the Main Trends of Investment Policy

The main effort of our planning activity is to uncover the conditions and tasks through which it is possible to increase the income-producing capacity of productive areas. In which direction do we have to guide production in order to achieve this? The results of economic life and of planning activity so far equally prove that one of the most important conditions for development is a constantly export-oriented production. The quality requirements deriving from this condition ensure that our enterprises will fulfill the domestic demand, too, with products of good quality. At the same time, export-oriented production increasingly requires better harmony among scientific research, technological development, production, and marketing, as well as faster application of scientific results.

First I will list the branches' production trend and the tasks connected with them.

Our industry must play a decisive role in the future, too, in increasing national income, making exports more efficient, and supplying the national economy with modern products. Since industry is the carrier of intensive development, it is our primary interest to ensure an acceleration in its development and a constant renewal of its structure. This is reflected in the fact that the basic draft provides for an increase of 13-16 percent in industrial production in the course of 5 years, and a much higher increase in its contribution to the national income (from net production). We count on the fact that the extractive industry branches will provide about one-third, a smaller proportion than previously, of industrial production growth, and almost two-thirds will be provided by the processing industry branches.

In our planning work we repeatedly had to face the problem that the export capacity of the processing industry is expanding very slowly. According to the plan's calculations, the convertible currency exports of the manufacturing industry products were supposed to increase annually by 4-5 percent.

In recent years we have not succeeded in increasing the export of manufactured goods fast enough, although the proportion of these very products in world trade is increasing, and demand focuses primarily on such goods. In order to maintain our position on the exacting capitalist market and increase our exports, we must modify the whole structure of our export goods and considerably improve our marketing activity. Considerable difficulties persist in increasing exports directed to the main traditional markets. We must often make great efforts merely to hold the positions attained so far. To find paths of advancement we must also search in new markets.

Our machine industry should contribute the most to expanding exports of the manufacturing industry. Therefore, the enterprises of the machine industry must find methods of planning development and strategies for marketing their own products that are effective, that are adapted to the requirements of the external markets, and that will enhance the competitiveness and thus the exportability of products. How great are the efforts required of the machine industry is illustrated by the following figures: While the export of machinery and equipment accounted in rubles will increase in the Sixth 5-Year Plan period by 30 percent in comparative prices, only a 15-percent surplus [as published] can be earmarked for export in the coordinated plans for the year 1986-90. The products of the food sector accounted for a larger part of our trade.) The conclusion is therefore that, considering the extent of demand on the domestic market, the machine industry has no other choice but to increase exports for convertible currency. Therefore, it can be expected that in the current 5-year plan period the machine industry will increase in exports to the convertible currency market by only 20 percent, while the outline of the next 5-year plan to the year 1990 sets the level of increase at 35-40 percent. To fulfill these greater tasks, the government will give greater assistance in the form of widening possibilities for credits and improving the supplier industry, which supports production for export.

In the years to come, the main tasks of the agricultural and food sectors will be to provide good quality food supplies to the domestic market and to assist in increasing exports. Unfortunately, prospects for such an increase are not too optimistic. It is possible to achieve dynamic trade development in exports to the CEMA countries, but there will be fewer chances to acquire hard currencies. Marketing in capitalist countires may also increase, but only if we create a basis for providing better quality and a wider range of products. In the case of animal products exports, which are at present rather uneconomical, we cannot expect a considerable improvement in external market conditions in the near future. On the other hand, it is in our economic-strategic interest to maintain a relatively large stock of animals. Because of objective reasons, it is assumed that the secondary activities of the agricultural farms will grow slowly than heretofore. All this explains why the basic draft provides for a mere 7-10 percent growth in the output of agricultural produce and a 12-15 percent increase in the production of the whole food and agricultural sector.

Despite the above difficulties, we have good reason to say that there is a way to further improve our agricultural sector and to arrive at a level of development that is close enough to that envisaged by the Sixth 5-Year Plan. We hope that wheat production will further increase, that by 1990 it will approximately reach 1.6 metric tons per capita and that meat production will reach some 240 kg per capita. After we achieve a high production level, it will be possible to decrease primarily the specific expenditures. There are still hidden, unutilized, and substantial resources which can be exploited if production and manufacturing combine their forces and if the agricultural enterprises and the enterprises of the food industry continue to develop, jointly expanding the production infrastructure and attaining better cooperation based on mutual advantages.

If the food sector improves the combined effectiveness of the production-processing-transportation-storage-packaging process and sets up a marketing system that is more flexible and suitable for serving the consumer, it can attain a better financial position and at the same time add to the industry's contribution to the national income.

A question emerged relating to both the food and the industry sectors: Can we perhaps plan a growth increase greater than the one mentioned above? The answer is obvious because this can only be done if the use of manpower and assets is based on a further improvement in effectiveness and if we are able to increase production without causing the balance of economic growth to deteriorate. So far we have been unable to provide for a faster development that will still fulfill the above-mentioned conditions. We must admit that we will be acting in keeping with the congress resolutions only if we bring about in all areas an intensive development that bears the characteristics just mentioned. These principles must be borne in mind while working on all the points of planning under the joint auspices of ministries, enterprises, and councils.

Both the building industry and the building materials industry must prepare for a new situation. There will be slow growth in investments but their structure and nature will be different. Bearing this in mind, it will be necessary to provide a flow of building materials and construction bids that is steadier and more adjusted to demands, to effectively reduce expenditures, and to improve the quality of goods and of the work performed. The priority tasks of these two sectors remain the same: to build apartments and supply required materials. There are already some considerations for modernizing the structural system of the enterprises in the building industry, too. Among many other factors this modernization is an important prerequisite for making this sector more flexible, accelerating construction work, and curbing price increases in the building and assembling branches.

We intend to improve those fields within the productive infrastrucutre that are liable to pose obstacles to the country's social and economic development. Priority will be given to telecommunications and, within this framework, especially to the improvement of the telephone network. Of equal importance are the protection of water quality and the supply of safe drinking water and the provision of waste water collection and purification systems. We will also pay more attention to environmental protection.

In transportation the most important task in the years to come is to improve the management and the division of labor and to modernize and reconstruct the transportation network.

In the coming plan period, too, there will be central economic development programs to assist in increasing output and perfecting productivity in certain very important fields to help us adapt to our own potentials and to the trends of international technical and economic development. These programs are being prepared at the moment together with and in accordance with the plan itself. Thus it will be possible to continue to focus our material and intellectual resources on complex tasks such as applying and disseminating electronics in social and economic fields, manufacturing electronic parts and units, and producing medicines, insecticides, and intermediaries [word published in English]. With these programs we "attune" the enterprises to the planned goals, make the whole chain of production, research, and sales interested in the realization of the plan, and bring into line and assist the relevant activities of the various firms.

Apart from the central program of economic development and within the framework of our planning work, we also draw up obligatory programs for certain individual businesses that are very important in themselves but that affect the entire economic development on just a limited scale. Such programs will be introduced in areas where there is a need for state management action to stimulate faster development (e.g. it is necessary to accelerate the convertible currency-related exports by the processing industry; to organize cooperation between enterprises in all those places where government interference is needed to achieve important goals; to find less costly substitutes for imported materials; to make shipment less costly) or where novel technology must be introduced in a well-coordinated manner (e.g. robotization, introduction of video- and biotechnology).

The central economic development programs and the obligatory programs are meant to further the necessary technical improvement required for progress in key areas of production. The programs will affect the entire economy and society but realizing them may prove to be beyond the means of an individual firm or branch of industry. These programs of heightened importance will first of all be based on the nature of the firm and the means available, but occasionally these means will be accompanied by state assistance for specific purposes.

In the next period the primary interest in our production policy -- and this is of common interest to all production branches -- is to handle economically the production factors: natural and human resources. If we compare ourselves to our more or less distant neighbors, we immediately realize how greatly we lag behind. There will be central saving and development programs in the period of the Seventh 5-Year Plan todeal with the tasks of the more economical utilization of energy and resources.

In the period of the Seventh 5-Year Plan the basic point of our energy policy, taking into account the domestic and imported resources, will be to permit the annual 1 percent increase in energy consumption and a 3 percent increase in the consumption of electric power. To consume energy in excess of this would only be possible through imports paid with hard currency or through investments in energy production necessitating high expenditures. In order to avoid such burdens it was necessary to decrease the consumption of specific energy by 1.5 percent annually. There have been years when the Hungarian economy managed to achieve similar improvements, but it never succeeded in keeping them up for a full 5-year period. The task is difficult but not impossible. On the one hand, the development targets of the sixth plan period will soon be reached and, on the other hand, there are still a lot of areas where we can cut back on consumption.

In the next period the program stresses a different point: As it will hardlybe possible to rationalize the use of energy by way of switching to alternate energy-bearing materials, we must attain a specific saving in all kinds of energy-bearing materials and attain an absolute saving in certain fields. Another novel developemnt is that we would gradually like to introduce those local energy resources that can be economically utilized, for example industrial and agricultural refuse (biopaste), geothermal energy, or larger and smaller gas depositis. Finally, the program will include energy-saving methods that may be applied by utilizing new technologies and modernized production systems in processes of high energy demand.

First of all, we would like to further the realization of the above-mentioned tasks by strengthening financial support and individual and collective financial interest. Apart from that, we would continue to provide credits and support for priorityprojects. In the plan period we expect the program to allow us to use no more than four-tenths of excess consumption of fuel per unit of growth in the national economy.

Similarly, we must manage to deal more frugally with materials and parts required by production. In this field we could only attain an increase by importing mainly from capitalist countries. By introducing the program promoting the frugal use of materials and parts (including the utilization of secondary products and waste materials), we want to achieve an annual 0.5-1.0 percent decrease in the specific consumption of materials by industry.

What we have achieved in this area so far is encouraging, but the results are extremely modest. We have to continue to pay particular attention to savings attainable without greater investments. We must make progress in this area mainly by upgrading and modernizing the technological specifications and standards. Renewal of production technologies, however, can also be given greater emphasis. Considerable resources can be uncovered in production cooperation among enterprises if they distribute fairly among themselves the surplus income achieved through joint efforts. We must make sure that the enterprise initiatives for frugal use of materials and spare parts are able to develop despite the fact that such investments yield only long-term returns.

The government pays particular attention to initiatives that help to simultaneously attain the goals of several programs --for example, those that reduce materials and energy consumption and at the same time protect the environment.

Second, I will deal with the tasks of employment policy. Here a condition for as well as a consequence of intensive development is an increase over the past in the people's values-producing capacity and its exploitation for the public benefit. In our age, creative activity based on high-level professional knowledge becomes the main source of achieving international competitive advantages and of more accelerated development. This production factor of primary importance is exploited at much too low a level in our country. In this field we cannot achieve a revolution in the course of a few years. But we can and must do three things already in the coming years! The first is to increase social appreciation for creative work; the second is to improve the organization, discipline, and civilized nature of work; and the third is that manpower, adjusting to desirable changes in the economic structure, must show greater mobility. In the final analysis all this serves to make employment more efficient.

The improvement of work productivity is the key to efficient employment. The plan outline counts on a minimum 5 percent annual increase in work productivity in industry and on a 3-4 percent annual increase in the building industry and in agriculture. Thus 130,000-170,000 workers can be efficiently employed in the infrastructure.

In addition to the main trend in employment policy, in line with our social commitments, we have to ensure adequate jobs for the increasing number of young people graduating toward the end of the plan period. In the more economically backword northeastern areas we have to create new work possibilities. We have to achieve all this in such a way that the expansion of employment not only helps solve the social problems but at the same time contributes to increasing the national income.

Third, I wish to deal with the more immediate goals of the investment policy and the tasks of rational management of material means.

In the next plan period we have to harmonize investments more closely with all existing enterprise assets and with their efficient operation, thus improving asset efficiency in a wider sense.

After a considerable decrease in recent years, investments can be increased again in the Seventh 5-Year Plan period compared to the present state. This in itself creates increasingly better conditions for modernizing the economy. But possibilities are also expanding due to the fact that the import of modern technology can increase in the Seventh 5-Year Plan. This is so partly because the volume of imports -- depending on exports -- can increase as a whole and partly because the import structure can change in favor of technologically advanced means of production.

However, we must warn everyone against exaggerated hopes. Based on our current knowledge, however, we can only start from the premise that the accumulation quota can increase gradually and that it might approach the proportion of 1980 only by the end of the decade. We must totally discard the belief that some sort of spectacular "investment course" similar to the previous ones could some day return. According to the basic draft, the proportion of accumulation within the net national production will grow from the current 10 percent to 14 percent by 1990. The extent and proportion of complete investments that can be counted on is expressed even better by the fact that the gross accumulation in the gross domestic product -- including amortization -- will increase from 25 percent to 28 percent. (This is already an acceptable proportion compared to international standards!) At the beginning investments in the socialist sector can be 2 to 4 percent larger than in 1985; later they can be on the average 5 to 6 percent larger. The stock of fixed assets can increase at a rate close to that of the previous 5 years, but aging in its composition in certain areas is inevitable.

The debates in the course of planning activity are focusing on the extent and structure of investments. Regarded from the point of view of enterprise efforts and needs, the economy could absorb much more resources than today, but the amount of resources available for accumulation is limited. We have found out by experience that not taking these limitations into consideration is always followed by dangers: The phenomena of an economy of scarcity can increase, inflationary pressures can increase, and so on. Therefore, it is indispensable for us to classify our planned investment intentions by weighing them in relation to the most important national economic goals and the value judgment of the market, and comparing them, on the other hand, with the possibilities. The rate of economic development, on the one hand, depends much more on the structure and efficiency of investments than on their quantity. On the other hand, the attainable rate is also determined by a better utilization of the existing stock of fixed assets as a whole and their continuous modernization. The latter means that it is possible to efficiently increase the performance capacity of the means of production by replenishment, renewal, and replacement which demand smaller investments.

Within the structure of investments, it is desirable to considerably increase the proportion of the processing industry -- in harmony with its contribution to the national income. We have not yet found an adequate way to achieve this goal in the course of our planning activity so far. One of the reasons is that large amounts of money are tied up by the large energetics and basic-material industry investments which are in the course of implementation: the expansion of the Paks Nuclear Power Station, development of metallurgical coal production in Mecsek, the construction of the Duna Iron Works' coking plant, etc. The other reason is that at our current development level the need to ease the backwardness in several areas of the infrastructure -- mainly in the telephone industry -- is felt so strongly that we cannot and must not evade it. Among planning activity tasks we consider it important to further improve the structure of the national economy's total investments in order to make the development more balanced.

Since, in accordance with our intentions, the place and extent of the creation of enterprise incomes increasingly reflect the efficiency of the economy, we should accordingly plan the composition of investments in the production sphere, primarily including investments in the competition sphere.

Reduction is also an important element of economic management of production factors and at the same time a part of development. We have not yet succeeded in working out effective concepts for such reduction in the course of our planning activity so far. This was hindered first of all by the requirements of the foreign economic balance, but the faintheartedness of the planning organs also contributed to this. In order to find the resources for economic growth, however, we must make more courageous use of the possibility of deliberately cutting back and eliminating the deficit generating activities. As we cannot give up the resources that can be thus made available, we keep this, as a separate task on the agenda of our future planning activity.

As the above clearly shows, according to the outlines of the Seventh 5-Year Plan, acceleration in economic growth can result first of all from an improvement of efficiency. Based on the calculations of the plan outlines, we can characterize the necessary extent of the improvement in efficiency as a whole by the following: The complex efficiency indicators of the prices for material resources will be 9-10 percent greater in the period of the Sixth 5-Year Plan. The increase planned for the next 5 years depends first of all on whether we succeed in improving this indicator by another 17-19 percent. One of the conditions for achieving this is that the national income per employee -- the national economy level indicatior of work productivity -- should increase by 24-28 percent instead of by 14-15 percent. The other condition is that the national income per unit of assest -- that is, the national economy level indicator of the efficiency of assets -- should stop after the decrease experienced in the past years, and even slightly increases. The outline of the Seventh 5-year National Economic Plan, therefore, counts on a large-scale improvement of efficiency in the entire ecomony. We have to achieve at least two-thirds of the productions growth by improving efficiency. I mention here parenthetically that the Hungarian economy has been unable so far to come up with an efficiency improvement of such dimensions. In order to be able to achieve this, we have to mobilize all our spiritual energy, all our creative capacity and economic strength! Therefore, there will be need for more ingenuity and more frugality than ever before in the economic activity of the coming years. And if this becomes daily practice, we shall be able to say that we have crossed the threshold of the phase of intensive development.

4. The Development of Economic Macromanagement

The condition of and main guarantee for fulfilling the large-scale goals facing us is the continuation of the comprehensive, further development of economic macromanagement started in 1985.

Just as we can divide the plan period into two phases, on the basis of the outlined particularities of development, so are we justified in differentiating between two phases in the development of the system of economic management.

In the first phase, we wish to solve the following four tasks:

-- We must "break in" the management elements that we recently introduced (the new forms of enterprise management, the new system of regulators and financial means and institutions, etc) or that we will introduce in the near future (such as the new system of council management).

As the demand for this was also voiced at the congress, we now must concentrate our attention on the consolidation and correct utilization of the new elements of management. While we are curbing the exceptions, we are naturally also carrying out smaller adjustments.

-- We will expand income-level regulation in order to better fulfill the justified social desire that wages paid for work carried out during main working hours be more of an incentive and in order to adjust them more closely to real performance. It is now the enterprises' turn to act in this matter: They must accept the greater burdens and responsibility involved.

-- In harmony with our production modernization efforts, and within our possibilities, we will reduce the financial burdens of efficient investments. We wish to help those who take upon themselves the renewal of production and the production structure, and whose possibilities in that regard are reduced by the large accumulation taxes or the larger interest.

-- The anti-inflationary economic policy also demands that we deploy all available means of economic management in this struggle. The improvement of efficiency and the favorable modification of the supply structure are very important conditions for avoiding price increases. Therefore, we will increasingly make use of government means of developing competition, building markets, curbing uneconomical activities, supervising markets, and controlling prices more severely.

In the second phase, when the current new elements of economic management have been absorbed in practice and once we can count on a faster rate of increase and on greater domestic consumption, we can take upon ourselves larger modifications that will be thoroughly prepared by then. We would like to develop the enterprise interest in a direction that would make sure that the working collectives have a greater interest in the long-term increase of their wealth, of their material and spiritual values. The essence of our concepts concerning the modernization of the tax system is that the main point of centralization of society's net income should shift to the turnover sphere, that is, to final consumption. This type of tax system would presumably encourage exports more and, filtering out the tax accumulation, reduce inflationary pressure. Our ideas also include creating the institutional conditions for a credit supply based on business transactions and on accepting the risks inherent in investments, in other words, the two-level banking system. We are also considering the introduction of a general personal income tax system which would make for a more just distribution of burdens among the public and at the same time create more favorable conditions for a more incentive-oriented wage regulation.

Sometimes we find that certain people expect short-term, self-inducing favorable effects from the further development of economic management. The "package deal" of the further development of the economic management system can have a favorable effect on the general disposition of the society and on the living conditions of the people only if everyone accepts and carries out the struggle against the tensions inherent in implementing this deal.

5. The Possibilities of Distribution; Our Standard of Living Policy Goals

The distribution policy of the Seventh 5-Year Plan can rely only on resources that are attainable with certainty: We must be responsible and careful in our acceptance of obligations! We make modest promises, but these can be fulfilled with greater certainty, in accordance with the most urgent socio-political requirements.

According to the basic draft, it will be possible to gradually increase domestic consumption, and this will be a substantial change compared to the previous years. As mentioned, the rate of increase in domestic consumption may reach 2 percent per annum in the first phase of the plan period and 3.5 percent in the second phase. These levels of increase in consumption are not enough to quickly solve all the problems, especially in the first phase of the period. Therefore, in our policy we have established a certain distribution system. This system puts emphasis on the solution of those problems that can most directly further the favorable development of economic growth. The priorities provisionally set in the outlines of the plan require a more detailed analysis and further considerations; we may even change some of those priorities if circumstances so require. The planning activities will certainly take into account the debates to be held with various social and interest-supporting bodies.

We are working on shaping a realistic policy of living standards that sets more attractive goals for society and motivates higher production, at the same time offering proportionately higher incomes for higher production. What are the main figures in the basic draft? The possible total increase in popular consumption for the coming 5-year period is 8-10 percent. The attainable total increase in the people's real income is 10-13 percent (during the first phase an average annual increase of 1.5-2 percent, in the second phase an annual increase of 2.5-3 percent); this includes an increase in the value of real social benefits amounting to 12-15 percent (during the first phase 2-2.5 percent annually, in the second phase 3.5 percent annually); and the increase in the average real wages is at least 5 percent (0.1 and later 1-1.5 percent per annum). These figures are more favorable than those being achieved during 1981-85!

According to the basic draft, it will be possible to initiate a general improvement in the wage earners' situation. The real value of the wage earners' income should increase by 2 percent annually. (During the first few years the increase will be somewhat less.) The higher incomes may show a much faster increase in the income earned from main-job activities. The possibilities of introducing central measures in wage policy will gradually decrease. If we compare the increase of real incomes with that of the past -- there have also been annual decreases in incomes -- and if only those who give more to the community and society are paid more, it will be clear from the above figures that the real incomes of strata much wider than previously will be affected by the increases.

How the consumer price index develops is a rather sensitive and unsavory political question of the plan period. It is an important task of our economic policy to noticeably lower the rate of increase of the price index. In order to achieve this we shall -- as I have already mentioned -- carry out a decisively anti-inflationary policy. Weighing the current production and our possibilities in the future, we think that the rate of annual consumer price index growth could be initially forced down to 6 and later to about 5 percent. Thus the burden of the price increases will be borne more easily by those belonging mainly to the socially disadvantaged category. Naturally we will make sure to compensate those in need for the price increases. In later years, based on improved economic productivity, we intend to safeguard the purchasing power of the forint.

Taking the sociopolitical priorities into consideration, we have outlined the concepts of granting social benefits. Our major target remains to preserve social security and lessen inequalities that do not stem from work productivity. We cannot expect financial resources to increase quickly, but we must find a more suitable and effective way of utilizing available resources. Preserving the basic achievements in our system of social benefits and in the entire system of our social policy, we will at the same time intensify our efforts to help those in need.

However, we can only do this at a rate allowed by our financial means. Thus in the coming years we will try to achieve a noticeable step forward in granting benefits for bringing up children, mainly by preserving the real value of family allowances and by gradually introducing child care allowances. On the other hand, we will try to improve the situation of the elderly, especially of theose who receive low pensions, and to preserve the real value of pensions in a wider stata than previously.

There could be an improvement in the people's living conditions. To find a cure to all problems and worries is more than can be done with the financial resources of the coming 5-year plan period. Overcoming some of them may even take several plan periods. It is therefore necessary to set a list of priorities. There is indeed a way to noticeably improve, by common efforts, at least some aspects of the living standard as early as the next plan period and even perhaps exceed the limits set in the basic draft.

6. On the Council's Seventh 5-Year Plan

The councils are playing an important role in the implementation of the tasks set out in the plan outlines. The majority of goals that most directly affect the people and that improve living conditions are implemented through the activity of the councils. It is primarily the task of the councils to make sure that the face of our communities; the people's housing conditions; their residential environment, health, social and trade provisions, schooling conditions; and the level of public services are developing to everyone's satisfaction. The National Assembly recently outlined the related general and long-term goals -- as guidelines -- in its decisions on area and community development.

The guiding principle of this decision is that we constantly have to shape our community relations and the system of council management in such a way as to enlarge the possibilities for an independent development that also adjusts better to local factors and traditions in all communities. All this can be based mainly on the increase of local material and intellectual resources, on the collaboration and willingness to act of the people and economic units in the communities. Public participation in making decisions pertaining to the development of local conditions is the ever renewed force behind the successful implementation of the local plans.

As to the matters the municipal, county, and local councils can deal with in their own plans in the coming years, these will be determined by the extent of resources that can be distributed according to the basic draft. In the current planning phase, these frameworks cannot be regarded as final. The extent of resources that can be planned on for distribution depends, however, on the way in which the remaining phase of national economic planning develops. We also cannot disregard the kind of conditions that council planning explores for strengthening the local economy's value-creating capacity, and thus, as a whole, the extent to which incomes created and distributed by the national economy can be increased.

First, let me speak about the expected financial possibilities of the councils in the new system of economic management. In its spring session, the National Assembly approved, along with the long-term tasks of area and community development, the modification of the laws concerning planning, finances, and the councils. The new system of council planning and management is an important element in all three laws. The modified regulations create the most important legal basis for the genuine expansion and strengthening of the independence of council management.

The most important characteristic of council management is that the local councils will have increased rights concerning the utilization of their financial means. The essence of the change is that they will be able to decide independently on where to invest their means, on the goals of operation, maintenance, and development; and on the internal structure of these matters. Council management will have a uniform financial basis, and the central and county limits of utilization will essentially be eliminated. All this, however, cannot lead to some sort of libertinism because existing achievements and institutions must be operated at an adequate level and because the national wealth must be protected by all means. Therefore, when the councils decide on goals and proportions in utilizing the uniform funds, priority must be given to operation, maintenance, and renewal. Managing the uniform funds also requires a comprehensive evaluation of the expenses of future operation and maintenance of development projects and new institutions.

In the future, the councils will be able to count on three sources of income: regulated sources; other, so-called interest sources; and state support. In the local councils, the proportion of income deriving from economic organizations and from the population can reach 60 percent; in the meantime, however, there is a decrease in state support. This developing proportion also shows that the development of the local infrastructure is closely connected to local economic foundations. This is made even clearer by the fact that the cooperatives' town and communal contribution will in the future be payable directly to the community councils. Another element that reflects this close connection is the fact that local councils also receive a share of the town and community contributions of the other economic units, and of the entire sum of the taxes on wages. Consequently, in the future the councils will become more interested in making sure that there is an increase in the income of local enterprises and cooperatives and of the people living there. They will also become more interested in outlining development goals that take account of joint interests. This is the main way that they can increase income to enlarge the framework of the councils' economic management. At the same time, the new conditions are creating favorable circumstances for cooperation among the councils to enable them to expand on the basis of mutual advantage.

The greater independence of local councils does not curtail the sphere of authority of the county councils but modifies this sphere to a certain extent. The local councils' role in harmonizing local interests, in harmonizing internal county interests with those of the neighboring counties, and in mediating with government organs is coming to the forefront. It continues to be their task to reduce the social and supply inequalities in the county. They now must deal with this not by directly seeking out tasks, but through a farsighted district policy and through applying economic measures. The county councils also have a great responsibility in making sure that the local councils' transition to economic independence is carried out smoothly. In some places the conditions for this already exist; in others the county councils should pay more attention and help more.

The sphere of authority of the government's guiding bodies will also change. In the future, it is primarily the normative regulations, the conditions of creation and management of resources, and the amount of state support that will be determined centrally. Thus greater efforts can be concentrated on the key points of national economic and county planning and economic management, on the territory and district connections, on tasks that can be solved successfully only on a national basis, and, to a much greater extent than previously, on longer-term issues. One of the important tasks of the branch ministries is to work out policy guidelines concerning the professions, and thus to provide a suitable orientation for the solving of certain branch tasks locally.

The councils can now simultaneously acquaint themselves with the policy guidelines concerning the professions, and thus -- being aware of local needs and expected financial possibilities -- they can better harmonize the proportion and extent of the implementation of tasks set out in these guidelines. It will thus be possible to avoid a particular area receiving a disproportionate amount of emphasis, with this causing local leaders to later struggle with dilemmas impossible to overcome. In the course of consultations on the plan held with the county councils, the ministries and bodies representing national-level authority must also take care of this.

The councils do not have to work out three versions of the plan. Their planning can start by adjusting to the basic draft of the national economic plan. In this the guiding bodies are taking a certain risk. But they do this with a strong conviction that the municipal, county, and community councils can join the planning activity as soon as possible and begin to work out their own plans. The elaboration of local development concepts provides a good background for the town and village policy that has also come more to the fore as a result of the elections. The councils, of course, are also taking a risk in that they rely on one single version. Therefore it would do no harm -- on the contrary, it would be very useful -- if they "insured" themselves by setting aside certain reserves, and if they outlined alternatives by classifying goals.

In similar fashion to the two phases that are distinguished in the outlines of the national economic plan, it is practical to divide the period of the Seventh 5-Year Plan into two phases with regard to the councils' economic management. In the first 2 years the councils' operational expenses can increase only slightly, and their development projects -- on a national average -- can approach the level of the current year. In the second phase of the plan period, their possibilities presumably can improve gradually. We propose that the councils differentiate between these two phases by working out the tasks of the first 2 years in greater detail.

At present I can provide only broad and general information on the councils' planning activity. It is not yet possible to deduce from the following information the individual possibilities of each county, but we will inform every county council in writing on the starting conditions for planning activity concerning each council. However, I think that such comprehensive information can be useful for each of them to adopt a position in line with national proportions and trends.

In the course of planning the provisions for operation, maintenance, and renewal in the 5-year period, the councils can start with an amount of some 660 billion forints -- in current prices -- on the national economy level. This amount is enough to operate and maintain their existing and newly created institutions. They can take into account an annual 5-percent increase for wage expenses and an annual 3-percent increase in material expenses. They will have 2-3 billion forints at their disposal for professional programs, including the spreading of modern teaching methods and methods of medical treatment.

We have become richer with a considerable number of new establishments, institutions, residential areas, and roads in the past decades. This exhausted the bulk of our resources and less attention and means were left for preserving and renewing our existing values. Summing up the neglected renewals and the increased new needs, it now seems that we must concentrate our efforts more on renewal. We can create better material conditions for this by increasing the rates of renewal.

Compared to the current plan period, we count on an increase of 60-70 percent in the sum allocated for housing renewal; an increase of 50-55 percent for the renewal of schools, health, and other institutions; and an increase of 35-40 percent for the reconstruction of roads and bridges in the coming years. It will not be possible to achieve a full compensation in this way; therefore the utilization of funds must be thoroughly considered.

The councils' development projects in the period of the Seventh 5-Year Plan are developing differently from county to county and community to community. Development can be greater in places where needs justify it and where the population's initiative and proper cooperation with the enterprises permits. As we see it today, the councils' development resources in current prices -- including the enterprise and population resources — come to a total of about 240 billion forints. This means a 28-percent surplus compared to the current plan period. Another 3-4 billion forints will be added to help the four least developed counties in the infrastructural supply to catch up, and for the acceleration of this process. In the final analysis, in 1986-87 the councils can count on an approximately similar amount of development -- in comparable prices -- as in this year. Beginning with 1988, however, the annual level can be some 10 percent higher than this.

The main goal in the distribution of financial means of the county development projects should be to continue and finish as soon as possible those development projects that are in progress. It follows from this that fewer new investment projects can be started than previously. It is practical, therefore, to set the larger-scale new development projects more for the second phase of the plan period.

The amount of money at the disposal of the councils is not small. It can be used for many things if the councils coordinate maintenance, renewal, and investments.

In addition, attention must be drawn to the fact that in the new system of council management, the amount with which the councils can manage locally no longer depends solely on the government. The range of development possibilities can therefore be expanded by the voluntary public work of the local communities and of the people living there, by their material contribution, and by including their savings. This, too, must be thoroughly thought over and be well planned in order to make sure that the possibilities, goals, and obligations taken are in harmony with each other.

Based on the general conditions, let us now examine more closely the three new elements of the councils' planning activity: the normative development possibility (the so-called per capita quota), the target support [celtamogatas], and the system of savings!

In the next 5-year plan period, some 40 percent of the development-purpose resources deriving from the regulated financial sources and from state support will be at the councils' disposal in a normative way -- according to the number of permanent residents. The size of these resources will be some 1,200 forints annually per person both in the capital and in the counties, as an average of the 5 years of the plan period. The county councils will be able to differentiate this sum from council group to council group in accordance with their needs and the goals of area development. The normative development possibility aims at a socially just distribution and provides each local council with a more secure way than previously to develop its basic supply. This has a reorganizing effect, in harmony with our community development goals, in that the community's share is clearly increasing.

The local councils' own resources can be supplemented -- under determined conditions -- with the so-called target support that can be supplied by the counties. This form of support is designed to promote local solutions to outstanding tasks of the national economic plan. Among the tasks, mostly government programs are prepared in order to harmonize efforts and help implement the main goals, also locally. We expect the priorities of the national economy to be asserted in the planning activity of the county councils. The amount of this target support, which will be some one-fifth of the entire development fund, will be determined according to the existing and predictable basic infrastructual needs in the capital and in the countries. The local councils can make use of the target support on their own decisions, but only if they fulfill the determined and published conditions in accordance with needs.

In spite of the results achieved, one of our most urgent problems is that not everyone has his own, independent dwelling yet. Therefore, one of the most important tasks of the next plan period is to improve the housing conditions of the people. In order to better fulfill the need for social housing, we plan to gradually increase state dwelling construction compared to the current low level. Housing construction from private resources continues to be the main form of acquiring individual housing; and this is aided by advantageous credit arrangements and the support of the councils. We expect some 360,000 dwellings to be constructed between 1986 and 1990, and thus, with the exception of our capital and some of our larger towns, the so-called quantitative housing shortage presumably will cease. We expect the council to allocate more than one-third of their development funds for this purpose. The improvement of education conditions of the large generation now reaching secondary school age and the supply of classrooms for them requires greater efforts from us in the coming period. We would not like to repeat the crowded conditions which our students and teachers had to face in many places in the general schools as a result of the demographic peak. The councils have spent 2 percent of their development resources for this so far; it is justified for this proportion to reach 6 percent.

Preserving the quality of potable water, improving the level of health services and their supply with machines and instruments, and taking care of the elderly require more funds. For the development of the water supply, for instance, we took 10-15 percent more into account, and the amount allocated for the purchase of machines and instruments for health services will increase by almost 40 percent.

Stockpiling of reserves will be carried out according to new concepts in the councils' planning activity. The goal of this is to achieve a two-way flexibility: on the one hand, it has to adapt to the changes in the possibilities of the national economy; on the other hand, it is necessary to overcome local tensions that may occur. Only through the preparation of adequate reserves is it possible to avoid the situation in which, as a result of a possible drop in resources, the councils would be forced to withdraw their decisions or halt development projects that have already been started. The latter would not only mean an economic loss, but would also lead to the local population's justifiable dissatisfaction and could hinder the local initiatives that are so important in community development. It is more practical, therefore, to accept that the plans should provide for more modest goals, and that these goals -- getting into more favorable conditions -- should be supplemented in the course of implementation with new goals.

The medium-range and 5-year plans, as well as the law on the state budget, can dispose of the national economy reserves. Similarly, an annual decision is made within the framework of the national economic plan on the utilization of the reserves that the county councils must create from their regulated incomes of development orientation and from the state support they receive, the size of which should be some 4 percent. In addition, we suggest that council set out so-called management reserves. They may decide themselves on the reserves' size, but the figure we propose to everyone is 2 percent from their entire planned expenses.

The councils' planning activity should be adjusted to the central working program of the national economic plan. The municipal and county councils' ideas concerning the Seventh 5-Year Plan will be accepted at the beginning of August 1985. The local councils will approve their own plan outlines at the end of August and the beginning of September. We suggest that the councils discuss the most important issues of their own medium-term plan outlines with the competent organs of the PPF, the trade unions, and the KISZ. The councils should decide, based on local political considerations, on the most suitable forms for this discussion. We would like the decisions to be based not on personal prestige but on common resolution. The expected debates can continue -- in a certain respect a continuation of the dialogue that emerged in the preparation of National Assembly and council elections. We can trust that, based on the increasing democracy of planning, a general consensus will emerge concerning both the most important local goals and the national tasks.

The first test of the newly elected councils will be whether the system of ideas concerning the most important tasks of the improvement of living conditions and concerning the development of smaller or larger communities, will really turn into a harmonious plan that the local public regards as its own.

The municipal and county councils will approve their plans in the first quarter of 1986, and the town councils will approve their development plans by mid-1986. Simultaneously with these, the county councils and the councils of larger communities will approve their long-term area and community development concepts. The plans of community organizations will be prepared or updated according to this. With all these, we are creating for the first time good conditions in order for the local long- and medium-term plans, the social and economic plans, and the technological plans to be worked out in harmony with each other. Our proposal that only those county and town councils approve their own Seventh 5-year plans that already have well-developed ideas about the long-term directions of area and community development is therefore justified.

We are aware of the great responsibility of the councils in setting goals and in working out and implementing the best possible plans under the given circumstances. Therefore, in order to adequately carry out their tasks and be good masters of their areas, the councils can expect the political support that the local party and social organs can provide for the successful activity.

WESTERN TREATMENT OF ELECTIONS CRITICIZED

AU181241 Budapest NEPSZABADSAG in Hungarian 15 Jun 85 p 4

["R.P."-signed article: "Illuminating Vacillations"]

[Text] Those Western propaganda centers that transmit Hungarian broadcasts for us to listen to could have been expected to devise a concrete strategy to react to the Hungarian elections.

And so it was, but nobody knew how often they would change their course. What they finally managed to deduce can be divided in three if not four parts.

At the beginning they referred in slighting terms to the new electoral law: What difference would it make to the Hungarians to have two or more nominees for one position if only those whom the "party wants" would be put on the list; this election is clearly a machination because the nominees must first be accepted by the PPF, which serves the system.

The next stage was based on the fact that despite that above insinuations, some small opposition groups attempted in a few places to nominate their own people. What to do now? Should they hoot down their own allies, whose slightest moves are quoted day and night and who continually feed them propaganda material? This did not seem practical. They therefore had to admit that the new electoral law was "a first sign" of democracy, which we did not in fact allow to assert itself because, alas, these opposition candidates did not manage to gain the necessary number of votes for nomination. The reason for this, which goes without saying, was another machination. Until now the law as a whole has been condemned "lock, stock, and barrel," whereas now it is only its practical implementation that is being condemned, namely the fact that some people have received many more votes than others.

In the meantime, however, they had heard of the great attention paid to the nomination meetings and that at many places third and even fourth candidates were nominated who had not been mentioned before and who were not nominated by the PPF in the first place; there was even a case where the "official" nominee did not make the final list. That was simply too much of a good thing. At the beginning they had taken it for granted that this election would be like all others in the past, wherein -- according to them -- voting is a mere formality, because if a very large number of people were voting it only served to show that the election was nothing but mere machination, forced vote casting, and an eye-wash "obligation" of the people. Somehow this did not work either: It did not correspond to the news about the lively election meetings.

What could be done? Should the election be left alone because it was a mere formality, though it is not? Then another slogan was invented: Voters should boycott the election; they should not vote. However, if there were "pressure," not enough people would dare take such a step. Then as an "ultima ratio," they pleaded that the citizens should hand in invalid votes. In the meantime they became so nervous about the situation turning out the way it did that they forgot all about their usual platitudes that they say were just intended "to inform people," "wishing to widen the horizon of the listeners," and they changed over to most direct and open agitation by swamping people with advice as to how to make a vote invalid and in what different ways voters may act, generally giving the listeners "practical" information to prepare them for all eventualities.

Whether they succeeded or not is another matter. Everybody knows the facts announced in the official notices at the beginning of the week: almost 94-percent participation in voting; 5.4 percent invalid votes, of which only a tiny fraction may be considered the result of Western agitation; extremely varied results of votes cast for the candidates of the constituencies; and such a close contest in 42 places that by-elections must be held on 22 June. It is also universally known that, threat or no threat, 80,000 voters voted against nominated candidates.

One should not worry about the Western propaganda being in a quandary. Following the day of the election the accusation was spread that there had been a manipulation: Invalid votes had been "doctored up"...

It is a mistake to believe that we expect the press of the opposition to judge this election without bias and to give it its proper place in history, as we do. We do not expect this. We know that it was just another step forward which should be followed by many other steps.

Yet it seems that we have underestimated the importance of this step. This is underlined by the fact that what took place in our country provoked brazen and operative interference by the most spiteful anticommunist centers. Let us not overestimate our achievement, however. We have a lot to do to improve socialist democracy, and with never failing intensity we must follow the course we have jointly mapped.

MSZMP DELEGATION VISITS CUBA 8-16 JUNE

LD172149 Budapest MTI in English 1704 GMT 17 Jun 85

[Text] Budapest, June 17 (MTI) -- A party workers' delegation, headed by Tibor Krajnyak, head of a sub-department of the party and mass organizations department at the HSWP CC, visited Cuba, June 8-16, on the invitation of the Cuban Communist Party CC. The delegation studied the organizational life and methods of Cuban party organizations.

The delegation met Abelardo Alvarez Gil, head of the Organization Department of the Central Committee.

PRC SECTION ESTABLISHED IN CHAMBER OF COMMERCE

LD181748 Budapest Domestic Service in Hungarian 1630 GMT 18 Jun 85

[Text] A PRC section has been set up within the Hungarian Chamber of Commerce. The inaugural meeting of the section was attended by Deputy Prime Minister Jozsef Marjai. The chamber's PRC section already has 325 Hungarian enterprises in its membership.

OPERATION OF BUSINESS WORK PARTNERSHIPS VIEWED

AU171538 Budapest MAGYAR HIRLAP in Hungarian 13 Jun 85 p 7

[Article by Peter Vanicsek: "Lessons of a Debate in Miskolc -- Reflections on the Enterprise Business Work Partnerships"]

[Text] The enterprise business work partnerships [VGMKs] have raised a lot of previously unknown contradictions in society. The question is whether these contradictions are less or more severe than the various contradictions the VGMKs should have solved.

This was the core of the issues at the debate by leaders of enterprises, factories, and state farms in the Miskolc area. The members of the managers group in the Miskolc area must face various reproaches everyday, hinted at or expressly formulated. (The accusations are: double or treble pay for the same kind of work, an embarrassing display of higher performance, etc.)

What Is It Good For?

Should we agree to it or not? This is the question, because we will have to put up with the existence of the VGMKs in the future, and thus it is high time for us to determine the VGMK's precise place in our system of values. It certainly will not be called "enterprise."

According to a survey carried out by the Public Opinion Research Group of the KISZ Central Committee, the small-scale businesses and especially the VGMKs cannot be considered independent business associations but rather "extensions of the debited assets of the wage system [megterhelt berrendszer]." The truth of this is proved by the list of priorities set up by the managers of one of the largest enterprises of our country in explaining why a VGMK was founded in the first place. The main purposes of founding VGMKs were given as follows: first, to stop the extremely high labor fluctuation and the so-called migration to secondary production branches of agricultural cooperatives; second, to fill staff shortages; third, to create price competition based on an entrepreneurial approach. Price competition is necessary because the external contractors' work costs much more and is not always reliable.

It is suspected that a VGMK is only a cosmetic means of covering up internal organizational shortcomings because the managers of enterprises almost unanimously refuse to even consider the VGMK's undertaking external industrial services or industrial activities by using the enterprise materials and machinery. On the other hand, if the VGMKs suddenly disappeared overnight, many people would have to face the very uncomfortable fact that important production projects would simply not be carried out.

According to the most widespread reasoning, the VGMK operates on overtime that does not have to be coordinated with the trade union, with the particular exception that, cast in the legal form of an association, it can be planned, prepared, and calculated. Normal overtime activities only involve unscheduled and ad-hoc activities.

Most of the accusations at the Miskolc meeting were directed toward the planning activities: The activity during the main working hours becomes subordinated to the "second shift." (Tools and materials are prepared during the main hours of operation and the workers take it easy in view of the overtime to follow.) Such poor discipline results in serious disorder because it is absurd to produce an output with the same machines while paying double wages; in most cases this very output is not explained by mere good intentions and determination. If the surplus production is not proportionate to the extra earnings, there is a discrepancy between the work performed during the main working hours and payment for it. The necessary outcome of this is the further deterioration of working morale and the slowdown of production without any significant reason.

However, this argument seems too speculative and mechanical; many enterprise leaders rejected it, saying that the VGMKs did not cause the workers to work less in the main working hours, just as they did not cause them to work more. The VGMK can be kept under control based on contracts for business projects because if main production drops, the operation rights of the VGMK could be suspended. This would be very difficult in practice, however. The VGMKs are formed with the participation of not only the best workers, but also of certain people who are in the center of interest-enforcement, i.e. various officials, and the decision to do away with the VGMKs would be very difficult to execute.

Two-Faced Working Morale?

It is thought-provoking that we can observe a kind of two-faced working morale: the first applied to activity during main working hours, and the other to the VGMKs that are much more oriented to productivity (to the value of work?) and where, wonderously, there is no problem with the supply of materials and there are no discipline problems or organization difficulties.

This is logical, says an enterprise manager, because the best working system is at the same time a well-designed system of interest. The group opposing this opinion mentioned a type of entrepreneurial Stakhanovism, saying that it is rather easy to work if the firm guarantees the tools and materials and even assumes organizational tasks. The survey of the KISZ Central Committee proved this fact: The VGMK invest only in human capital, and the members do not have to contribute anything but their physical strength. In such a case the greater production of the VGMK cannot be explained except by the greater personal interest.

The VGMK do not operate by the originally intended rules of the game but they do operate and are indispensable: They solve problems of employment and pump additional income into the household of a group of people who find it difficult to live on their wages and earnings.

I think the company manager was right who said that the VGMK and the world around them are reflected in the VGMK themselves.

If this reflection is not a very flattering one, the solution is not to smash the mirror. . . .

URBAN ON STATE-CHURCH DIALOGUE, GDANSK TRIAL, FRG

Jaruzelski-Glemp Meeting Viewed

LD181458 Warsaw Domestic Service in Polish 1400 GMT 18 Jun 85

[Text] Government Spokesman Jerzy Urban said at a press conference that the government desires that church-state relations be clear. Today's meeting between Premier Wojciech Jaruzelski and Primate Jozef Glemp proves that the state-church dialogue is in progress. Numerous abuses of sacred places for antistate actions do not serve reconciliation and national accord.

The meeting between Wojciech Jaruzelski and Jozef Glemp, Jerzy Urban stated, is another step on the road to further understanding and joint concern for the fate of the country.

At the above-mentioned news conference the press spokesman also spoke about the intensifying anti-Polish campaign in the West. He criticized the presence of FRG Chancellor Helmut Kohl at the Hannover rally of the so-called Silesian Landsmannschaft.

Jerzy Urban positively assessed the results of Deputy Premier Zbigniew Szalajda's visit to the FRG.

Views Anti-Polish Campaigns

LD181845 Warsaw Domestic Service in Polish 1700 GMT 18 Jun 85

[Text] Marek Kassa will now report on today's press conference for foreign journalists given by Government Press Spokesman Jerzy Urban.

[Begin recording] [Kassa] During today's conference the government press spokesman made two statements. Opening the news conference for foreign newsmen, the government press spokesman made a statement saying that the political and propaganda campaign conducted against Poland by some Western states has recently intensified. Washington has even gone so far as to threaten Poland.

It is the trial of Lis, Michnik, and Frasyniuk, as well as other developments, that lies at the bottom of this campaign. The choice and interpretation of facts is biased. Fabricating facts, combing them, and interpreting them in an appropriate way, Western countries are trying to create an impression that the only trends intensifying in Poland today are those that create difficulties. Developments testifying to normalization are ignored. Western broadcasting stations are the best ones at intensifying this campaign. In this connection, Jerzy Urban pointedly stated that these distortions are unjustified.

Both our policy and its methods have not changed. This is the policy of agreement and struggle. Those who have a different opinion do this to aggravate the policy of hostility towards Poland, he said.

[Urban] They dishonestly continue to search for a Polish pretext to worsen the international situation. Poland and its internal circumstances are treated as an object. In its postwar history Poland lived several times through dramatic conflicts. The enemies of socialism took advantage of the frequently justified dissatisfaction of the masses to inflame the situation, to counteract peaceful resolution of the conflict, and to encourage the street disturbances. Sometimes such provocations proved successful and had a bloody end.

Several times they caused such great disruption to economic policies that, in conjunction with errors made by the authorities, they caused Poland to experience economic difficulties in recent years. The standard of living fell and we must now catch up with our own past. Such were the effects of, among others, the freeze on food prices in 1970-81, which affected the standard of living of the population. The government of accord and socialist renewal will not allow yet another crisis in Poland or fratricidal conflicts. Our whole policy serves this cause. Within the framework of this policy it is also essential to mete out punishment, in accordance with the law, for such incitement before it causes dramatic events or even just disturbances affecting all the Poles.

[Kassa] Here are excerpts of Urban's second statement.

[Urban] On many occasions the Polish Government has drawn attention to both dangerous and harmful, and favorable developments in PPR-FRG relations, activities of revanchist organizations, and, in this context, to the fact that participation by representatives of the government and political parties in revanchist meetings is generally understood as political and moral support for goals and ideas of the forces who are against the normalization and peaceful development of relations on the European Continent.

In spite of protests by realistic political and social circles in the FRG, Federal Chancellor Helmut Kohl took part in the Silesian Landsmannschaft rally; where again aggressive and anti-Polish slogans demanding revision of Poland's western borders and the postwar territorial and political system in Europe were proclaimed. The scenery and atmosphere in which the federal chancellor delivered the speech were, as such, an alarming sign for Poland. The federal chancellor's speech in Hannover and its implications for PPR-FRG relations are a subject of in-depth analysis by the Polish Government. After its completion a full appraisal will be possible. Preliminary appraisal of the speech already makes it possible to say that it is a step backward compared to the federal chancellor's statement made in February 1985 at the Bundestag.

[Kassa] Later Jerzy Urban summed up results of a visit to the FRG by Deputy Premier Zbigniew Szalajda.

[Urban] The talks have shown that West German enterprises are ready to develop cooperation with Poland, both in the sphere of trade, science and technology, and in industrial cooperation. For example, there are such branches as chemical and motor industry, automation and control systems, and medical equipment.

As for the financing of purchases, various projects were discussed, as was payment for the purchased machines and goods manufactured by these machines. Some of the contracts that were discussed are close to completion, others will be the subject of further concrete agreements.

The Polish side positively assesses the course and results of the visit.

[Kassa] The spokesman also talked about today's meeting of Army General Premier Wojciech Jaruzelski with Primate Jozef Glemp, and commented upon an interview with Ronald Reagan by Radio Free Europe, which included untrue information about the restrictions towards Poland being waived, while those sanctions most painful, such as, for example, suspension of Poland's most-favored-nation status, and a ban on transfer of the latest technology still stand.

Jerzy Urban also polemized with some other reports by the Western press,[end recording]

Spaniard Postpones Visit

LD182058 Warsaw Domestic Service in Polish 2000 GMT 18 Jun 85

[Excerpt] Jerzy Urban [at the conference for foreign correspondents] also commented on the postponement of Spanish Foreign Minister Fernando Moran's visit to Poland. He stressed that the program of the visit was agreed without difficulty, but recently new factors have appeared that caused its temporary postponment. However, said the government press spokesman, it will not influence the good state of relations between Poland and Spain.

WALESA 'WARNED' TO STOP DISSIDENT ACTIVITIES

AU191009 Paris AFP in English 1007 GMT 19 Jun 85

[Text] Warsaw, June 19 (AFP) -- Solidarity leader Lech Walesa today said he had been warned by Polish authorities to curb his dissident activities, with the threat that he would face "other measures" if he failed to toe the line. Speaking after appearing before a magistrate in Gdansk, northern Poland, Mr. Walesa said that the court did not specify what form these measures would take.

Mr. Walesa, the 1983 Nobel Peace laureate, was questioned for his part in a February protest meeting that last Friday led to jail terms from 30 to 42 months for three of his associates, Wladyslaw Frasyniuk, Adam Michnik and Bogdan Lis.

He said that he had refused to testify today, and had merely handed the woman magistrate a letter attacking the jailing of his three friends, who had been charged with illegal union activity. They were part of Solidarity's underground leadership, known as TKK [Provisional Coordinating Committee].

They were arrested after police swooped on Mr. Walesa's apartment in Gdansk on February 13, as they were discussing a nationwide 15-minute strike for February 28 in protest at increases in food prices. The planned stoppage was later cancelled after the government modified some of the increases.

Mr. Walesa has been ordered to stay in Gdansk while investigations continue. Mr. Walesa's wife, Danuta Walesa, said her husband had telephoned to say he was going to work after the interrogation. Mr. Walesa is an electrician at Gdansk's Lenin Shipyards.

ILO CONFERENCE CONDEMNS SOLIDARITY SENTENCES

AU181105 Paris AFP in English 1056 GMT 18 Jun 85

[Text] Geneva, June 18 (AFP) -- Trade unionists attending the 71st conference of the International Labour Organisation today denounced the sentences passed last Friday on three leaders of the banned Polish Solidarity trade union in Gdansk. The three, Adam Michnik, Wladyslaw Frasyniuk and Bogdan Lis, were convicted of illegal union activity and given sentences that varied from 30 to 42 months.

As they did last year, representatives of unions from the East bloc left the room before the solidarity delegate, Jerzy Milewski, addressed the conference. The Chinese delegates remained behind.

In his speech, Mr. Milewski condemned the Polish Government's trade union policy. He said repressive measures against members of the free trade unions had doubled last year. He also said the Polish authorities did not hesitate to use brutal force, blackmail and corruption in order to force workers to leave Solidarity and to win new members for the government-approved trade unions.

BEIRUT HIJACKING 'POLITICAL TEST' FOR REAGAN

LD182205 Warsaw Domestic Service in Polish 1700 GMT 18 Jun 85

[Text] Maksymilian Berezowski reporting from Washington. All events here have been eclipsed by the hijacking of an American plane, and by the taking of several dozens of passengers as hostages. In the opinion of the Americans, this is a political test for Reagan's team and the President himself.

While presenting a doctrine of the administration several months ago, Secretary of State Shultz said that one must retaliate against acts of terror and use force even as a preventive measure. This tough policy propagated by the administration ever since now clashes with its helplessness. Despite demonstrations of force, in the form of the concentration of naval vessels close to the Lebanese coast, in reality the administration expects that the freeing of the hostages may take weeks, or months and that it must negotiate, not use force.

The administration is aware that 700 Lebanese imprisoned in Israel will eventually have to be freed, and at the same time it trembles for its superpower prestige, which, in its view, would suffer if concessions were made. The administration does not want to admit, even to itself, that the present situation is the result of its unsuccessful policy of strength.

SOLOMENTSEV-LED DELEGATION VISITS POZNAN

LD190906 Poznan Domestic Service in Polish 1510 GMT 18 Jun 85

[Summary] A delegation of the CPSU led by Mikhail Solomentsev, member of the CPSU Politburo and chairman of the CPSU Central Committee Control Committee, was welcomed at Lawica Airport by the members of the Poznan Voivodship committee. Ivan Boyko, consul general of the USSR in Poznan, was present.

During a meeting with members of the secretariat of the voivodship committee and of the presidium of the voivodship party control commission, Comrade Edward Lukasik referred to the bonds of friendship linking the two nations and parties. The speaker informed the member of the delegation about the current sociopolitical situation in Poznan and the voivodship and about the city's achievements in the field of the economics, science, culture, and education.

Dr Marian Olszewski, chairman of the voivodship party control commission, also took the floor. Referring to the resolutions of the Ninth PZPR Congress, he spoke of the changes taking place in the party. He pointed, among other things, to the rebuilding of its identity, to its ideological consolidation, and to its regaining the features of a party of struggle. Members of the Soviet delegation were interested in the party's activity in the milieu of youth education and in the ranks of the youth organizations.

Comrade Mikhail Solomentsev devoted much attention in his speech to the work of the CPSU Central Committee Control Committee. The head of the Soviet delegation was decorated with an honorary badge from the city of Poznan. In the afternoon, the CPSU delegation left for Warsaw.

MINING, POWER MINISTER MEETS PRC'S ZHOU JIANNAN

LD172213 Warsaw PAP in English 1704 GMT 17 Jun 85

[Text] Warsaw, June 17 -- Poland's Minister of Mining and Power Industry Gen. Czeslaw Piotrowski received here today Chinese Minister of Machine-Building Industry Zhou Jiannan.

The sides found large possibilities of cooperation between the Polish industries manufacturing mining and power-plant machines and the Chinese machine-building industry.

Minister Jiannan [name as received] also visited a lignite open cast mine and a power plant in Belchatow, south of Warsaw.

PRC'S WANG RENZHONG VISITS LENIN SHIPYARD

LD172217 Warsaw Television Service in Polish 1730 GMT 17 Jun 85

[Text] The delegation of the PRC National People's Congress, headed by Deputy Chairman Wang Renzhong, visited the Gdansk Lenin Shipyard and met its management today. In Warsaw this afternoon the Chinese parliamentarians were received by Stanislaw Gucwa, speaker of the Sejm. The guests were briefed on the structure and activity of the Sejm. They exchanged experiences on the work of both parliaments. Satisfaction was expressed that after a hiatus of many years, contacts between the Sejm and the Chinese National People's Congress have been resumed.

Meets With Olszowski

LD182126 Warsaw Domestic Service in Polish 1800 GMT 18 Jun 85

[Text] Polish-Chinese plenary talks have been held at the Sejm. They were chaired by Stanislaw Gucwa, Sejm marshal, and Wang Renzhong, deputy chairman of the delegation from the Chinese parliament. The parliamentarians of the two countries expressed the will to maintain and develop the exchange of experience and cooperation between the PPR Sejm and the PRC National People's Congress representative assemblies.

The delegation was also received by Stefan Olszowski, minister of foreign affairs. During the meeting views were exchanged on the further development of bilateral cooperation. The conviction was expressed that the contacts between the two parliaments, which have been renewed after a break of many years, will encourage the broadening of friendly relations between Poland and China.

USSR-PPR PEACE COMMITTEES DISCUSS COOPERATION

LD172316 Warsaw Domestic Service in Polish 2000 GMT 17 Jun 85

[Text] Jozef Cyrankiewicz, chairman of the Polish Peace Committee, together with the leadership of the All-Polish National Peace Committee met a delegation of the Soviet Committee for the Defense of Peace led by Aleksina Fedulova, executive secretary of the organization. Matters connected with the cooperation of both committees as well as ventures undertaken in connection with the UN International Year of Peace falling in 1986 were discussed.

The Soviet guests also met Wincenty Lewandowski, deputy chairman of the Patriotic Movement for National Rebirth National Council. It was stated that there is now no task more important than that of preserving peace in the world.

DPA REPORTAGE ON SZALAJDA VISIT TO FRG

For DPA reportage on the visit to the FRG by Zbigniew Szalajda, deputy chairman of the Council of Ministers, including his meeting with FRG Economics Minister Martin Bangemann, see the FRG section of the 17 June Western Europe DAILY REPORT and subsequent issues.

REAGAN PRESS CONFERENCE ON HIJACKING REPORTED

AU191040 Bucharest Domestic Service in Romanian 1000 GMT 19 Jun 85

[Text] At a press conference last night, U.S. President Ronald Reagan demanded the unconditional release of the 40 U.S. hostages detained in Lebanon. He stated that the United States will make no concession to the terrorists and neither will it ask other countries to do so. Terming the situation as dangerous and unstable, international press agencies report, the head of the U.S. Administration also ruled out the possibility of reprisals before the precise identification of those who hijacked the TWA plane.

NATIONAL COUNCIL PLENUM ON ECONOMY CONTINUES

AU181521 Bucharest AGERPRES in English 1426 GMT 18 Jun 85

[Text] Bucharest AGERPRES 18/6/1985 -- On June 18 continued the proceedings of the joint plenary meeting of the National Council of the people working in industry, constructions, transport, the circulation of goods and finances and of the Supreme Council of the economic and social development, chaired over by Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania.

When proceedings resumed in plenum First Deputy Prime Minister Gheorghe Oprea, chairmen of the managing councils of certain economic ministries, chairmen of the people's councils at county, industrial central, and enterprise level talked about problems in the agenda.

The speakers presented the successes devoted by the working people to the celebration of two decades since the ninth congress of the party that marked the beginning of a new revolutionary stage in Romania's economic and social development.

During the debates the participants pointed out that the stipulations and indices in the draft plan for the year 1986 were in tune with the orientations and resolutions of the 13th congress of the party and provided for the continuous development of the country as well as for the improvement of the people's material and spiritual standard of living.

The speaker analyzed excellently and in a high responsibility the way the collective management bodies in ministries, centrals, and enterprises work for the implementation of the plan for this year and the current five-year period and for the adequate preparation of the next five-year plan's production.

During the debates in plenum and by sections proposals were issued to improve the organization of production and labour in industry, constructions, transports and the other sectors in view of enhancing the economic profitability and efficiency and the quality of all the activities, to meet the current necessities.

CEAUSESCU RECEIVES U.S. OFFICIAL; TIES DISCUSSED

AU171926 Bucharest AGERPRES in English 1900 GMT 17 Jun 85

[Text] Bucharest AGERPRES 17/6/985 -- Nicolae Ceausescu, president of the Socialist Republic of Romania received on June 17, Edward Derwinski, adviser to the U.S. State Department, now visiting Romania.

During the interview that proceeded in a cordial atmosphere, they highlighted the good relations between Romania and the U.S. and stressed the importance of further developing the bilateral Romanian-American relations on multiple planes and the collaboration between the two states in the international arena, for a policy of peace, security and understanding among nations.

Approached were also current aspects of the world situation, especially of peace and disarmament, nuclear above all, of the political settlement of the states of war and tension in various parts of the world, of diminishing and eliminating the gaps between the rich and poor countries, of strengthening the UN role in international life.

The interview was attended by Stefan Andrei, Romanian minister of foreign affairs.

NICU CEAUSESCU, YOUTH GROUP VISIT DPRK

For Pyongyang reportage on the visit to the DPRK of Nicu Ceausescu, first secretary of the Central Committee of the Union of Communist Youth, including his arrival and a reception hosted in his honor, see the North Korea section of the 18 June Asia & Pacific DAILY REPORT and subsequent issues.

DIZDAREVIC SPEECH AT EC-SFRY COUNCIL SESSION

LD182045 Belgrade TANJUG Domestic Service in Serbo-Croatian 1452 GMT 18 Jun 85

[Text] Luxembourg, 18 Jun (TANJUG) -- Raif Dizdarevic, federal secretary for foreign affairs, who is presiding over the third session at the ministerial level of the council for cooperation between the EEC and Yugoslavia, made the opening speech at the beginning of the session today.

Addressing the West European foreign ministers, Dizdarevic presented Yugoslavia's most important comprehensive assessments of cooperation with the community and spoke about future relations. These issues are the main items on the session's agenda. The Yugoslav delegation taking part in the work of the council includes Ljubomir Baban, member of the Federal Executive Council; Bora Rafajlovski, ambassador to the EC; Milan Predojevic, assistant federal secretary for foreign trade; Ljubisa Markovic, departmental head in the Federal Secretariat for Foreign Affairs; and others.

Federal Secretary Dizdarevic positively assessed last year's results of cooperation with the EC, stressing that there had been a certain reduction of the Yugoslav trade deficit during the period under review and also that a further arrangement had been completed in addition to those provided for in the financial protocol and that cooperation had expanded in industry, science, technology, transport, and other fields. However, Dizdarevic said, certain objective difficulties and problems had to be eliminated in the search for new forms of cooperation. In his view that was where the significance of the meeting lay, especially since it was taking place at the end of 5 years of application of the trade regulations of the general agreement on cooperation and the financial protocol.

Referring to the problems and difficulties of cooperation, Dizdarevic said that the community accounted for 50 percent of Yugoslavia's trade deficit and 70 percent of Yugoslavia's foreign debt. Also, our share of the community's trade exchange was decreasing, as was the community's share of our total exchange with foreign countries. Dizdarevic expressed the view that these trends imposed the need for mutual adjustment in the course of further development of cooperation. In this connection he particularly stressed that the SFRY's ability to increase exports to the community represented the most important prerequisite for achieving balanced exchange and creating the conditions necessary for the repayment of debts and that the appropriate solutions should be sought now, in the course of the joint efforts to establish the guidelines for finalizing the provisions of the commercial agreement and the financial protocol. I am convinced, Dizdarevic emphasized, that this is in the interests of both sides.

Analyzing future relations in individual sectors, the federal secretary pointed out that the updated trade regulations were expected to preserve the traditional exchange processes, while at the same time promoting and diversifying Yugoslav exports by according them comparative advantages. This would result in stable conditions which would enable the structure of our economic cooperation to develop and advance without hindrance. The vital prerequisite for this kind of development, according to him, was the scope which the community's policy would create for the marketing of our goods. Stressing that at last year's session it had been agreed that trade negotiations should be postponed until after the expansion of the community and that in the meantime, the agreement should be extended, Dizdarevic noted that in the course of mutual exchance we were encountering numerous problems calling for urgent and immediate solutions. We are striving, he said, to ensure that they are dealt with as efforts to improve mutual exchange.

With reference to the new financial protocol, Dizdarevic stressed that it should represent a significant step toward long-term cooperation on major projects based on Yugoslav development plans and similar projects arising from the economic and technological development of the community. In other words, it should be an instrument of such cooperation.

For the reason, stated Raif Dizdarevic, financial cooperation should facilitate the process of adaptation and expansion in relations between Yugoslavia and the EC. Therefore, he added, we think that the volume, quality and allocation of means are of much greater importance.

Federal Secretary for Foreign Affairs Raif Dizdarevic made particular reference to the forthcoming expansion of the EC describing it as "a new departure as regards the future trade and financial negotiations with this community." According to his opinion, this will create new problems but also opportunities for cooperation. Dizdarevic, however, stressed that he was seizing the opportunity to repeat his conviction that Yugoslavia's sound cooperation with Spain and Portugal would continue both on a bilateral level and within the framework of our relations with the entire community.

Dizdarevic concluded by referring to the implementation of our stabilization policy and stressed that it was in full swing, as were our efforts to bring our economic policy and development program in line with the modern achievements of the world economy and to play a more important role in international economic cooperation. He presented some encouraging results achieved to this end but warned that it was a difficult but necessary process in the existing international circumstances, which call for enormous efforts and sacrifices. Dizdarevic also stressed that to a considerable extent external factors were responsible for our difficulties. Among the factors causing renewed concern he mentioned fresh dangers of a recession, of a new wave of protectionism, the dramatic situation in which a great number of developing countries have found themselves, their debts, etc. According to Dizdarevic the fact that constructive proposals concerning dialogue and negotiations on how to settle the problems common to both the developed and developing countries are not being heeded causes particular concern. We are convinced, Dizdarevic said, that only by creating conditions for the development of all countries and by equitable international cooperation would it be possible to find the way out of the existing difficulties. The EC has a major role in this and the further development of cooperation between our developing socialist, European, and Mediterranean country and the EC is viewed in Yugoslavia as an example of and contribution to wider cooperation in the world.

SUKRIJA CHAIRS LCY CC PRESIDIUM SESSION

LD182223 Belgrade TANJUG Domestic Service in Serbo-Croatian 1548 GMT 18 Jun 85

[Text] Belgrade, 18 Jun (TANJUG) -- At today's session, presided over by Ali Sukrija, the LCY Central Committee Presidium discussed the basic points of the debate on the role and work of the LCY Central Committee to be conducted at one of the future LCY Central Committee sessions.

The discussion today proceeded from the outcome of and assessments made during the public debate on the draft conclusions of the 13th session of the LCY Central Committee, the conclusions of the 16th session of the LCY Central Committee and past experience resulting from the work of the LCY Central Committee, and finally, from the need for further promoting the activity and implementing the statutory role of the LCY Central Committee as the leading LCY organ.

Particular stress was laid on the issues and measures which the LCY Central Committee and its organs and working bodies should take in order to realize, by the 13th LCY Congress, their activity programs, particularly the activity programs the LCY Central Committee and its Presidium adopted at the 16th session of the LCY Central Committee, as successfully as possible and as required by the present social situation.

The gist of the LCY Central Committee's next discussion should be the orientation towards creating conditions necessary for the LCY Central Committee to realize its political leadership role as thoroughly and efficiently as possible. The Presidium also examined some proposals on how to improve the work and the role of the Central Committee, its Presidium, and their working bodies.

The LCY Central Committee Presidium also discussed the draft report on its work over the past year. The report outlines and critically assesses the main courses of the LCY Central Committee Presidium's activity in implementing decisions and conclusions adopted by the LCY Central Committee. The report will be sumbitted to the LCY Central Committee for discussion and assessment. The Presidium also discussed other issues under its purview.

ARKHIPOV-LED SOVIET S&T DELEGATION ARRIVES

Welcomed by Srebric

LD181227 Belgrade TANJUG Domestic Service in Serbo-Croatian 1143 GMT 18 Jun 85

[Text] Belgrade, 18 Jun (TANJUG) -- The USSR delegation that will take part in the 23d routine meeting of the intergovernmental SFRY-USSR Committee for Economic and Scientific-Technological Cooperation arrived in Belgrade today. The Soviet delegation is led by Ivan Arkhipov, first deputy chairman of the USSR Council of Ministers and chairman of the Soviet side of the intergovernmental committee.

The Soviet delegation was welcomed at Surcin Airport by Borisav Srebric, vice president of the Federal Executive Council and chairman of the Yugoslav side of the international [as received] committee.

Committee Begins Work

LD182100 Belgrade TANJUG Domestic Service in Serbo-Croatian 1313 GMT 18 Jun 85

[Text] Belgrade, 18 Jun (TANJUG) -- The 23d session of the intergovernmental SFRY-USSR Committee for Economic and Scientific-Technological Cooperation, which opened today, is considering the results of economic cooperation and the level of total commodity exchange during the current 5-year period and the Long-Term Program of Economic and Scientific-Technological Cooperation for 1986-90. The two delegations are headed by Borisav Srebric, vice president of the Federal Executive Council, and Ivan Vasilyevich Arkhipov, first deputy chairman of the USSR Council of Ministers.

Both sides agreed that economic cooperation has successfully developed during the past 4 years and in the first half of 1985 and that it is expanding into new areas and displaying a tendency to assume more modern forms of cooperation. It was judged that this year's commodity exchange would exceed the volume envisaged in the long-term program for 1981-85.

The two sides also agreed that all possibilities exist for an increase in the total commodity exchange between the USSR and the SFRY in the next medium-term period.

Both sides expressed readiness to strive in this direction and said this will be discussed in detail during consultations between the two countries' planning and foreign trade bodies. Possibilities for development in individual economic fields and especially in energy, machine building, the agro-industrial complex and the processing industry were also noted.

Stambolic Receives Arkhipov

LD182025 Belgrade TANJUG Domestic Service in Serbo-Croatian 1712 GMT 18 Jun 85

[Text] Belgrade, 18 Jun (TANJUG) -- Ivan Stambolic, LCY Central Committee Presidium member and Serbia LC Central Committee president, today received Ivan Arkhipov, first deputy chairman of the USSR Council of Ministers and member of the CPSU Central Committee. During the cordial and friendly talks Ivan Stambolic is reported to have acquainted his guest with Serbia's current socioeconomic and political situation and Serbia LC activity in solving the issues of social development. Stambolic made particular reference to the LC's activity in implementing economic stabilization and preparing for the forthcoming congresses.

Ivan Arkhipov spoke about the USSR's economic and political situation and the implementation of the decisions adopted at the CPSU Central Committee plenary session aimed at speeding up economic development. He also touched upon the efforts the USSR is exerting to safeguard peace and security in the world, and to halt the arms race. Both sides expressed satisfaction at the successful development of SFRY-USSR relations and cooperation and noted the possibilities for improvement.

On the Yugoslav side the talks were also attended by Borisav Srebric, vice president of the Federal Executive Council, and Branislav Ikonic, president of the Executive Council of the Serbia Assembly, and on the Soviet side by Nikolay Rodionov, USSR ambassador to the SFRY and member of the CPSU Central Committee.

ECONOMIC COMMITTEE DISCUSSES SOCIAL PLAN

LD181509 Belgrade TANJUG Domestic Service in Serbo-Croatian 1327 GMT 18 Jun 85

[Summary] Belgrade, 18 Jun (TANJUG) -- The delegates of the Committee for Economic Relations With Foreign Countries of the Chamber of the Republics and Provinces of the SFRY Assembly today began the process of coordination of the SFRY social plan for 1986-2000. There are no substantial differences of opinion in the committee and there is every prospect that this committee will soon complete coordinating its section of the draft which relates mainly to economic and other types of cooperation with foreign countries. The draft of the plan envisages that to the end of the century exports should increase at the annual rate of 5.1 percent and imports at the rate of 5 percent. The biggest contribution to this plan should be provided by the machine-building and metal processing industries, by the manufacturers of vehicles, by the electrical and chemical industries, and through the export of tourist and transport services. It was stressed during the discussion that an effort should be made to bring about balanced regional exports and a rational substitution for imports whenever possible. Thus, by using domestic potential, knowledge, and know-how, the export of products in advanced stages of processing will be greatly stepped up. This also means that we shall have to rely more on our own resources.

ADMIRAL CONCLUDES TOUR OF ARMY RESEARCH CENTER

LD182321 Belgrade TANJUG Domestic Service in Serbo-Croatian 1728 GMT 18 Jun 85

[Text] Belgrade, 18 Jun (TANJUG) -- Today Fleet Admiral Branko Mamula, federal secretary for national defense, ended his 2-day visit to the Marshal Tito Armed Forces Center for Strategic Research and Studies and the Yugoslav People's Army Ground Forces Higher Military Schools Center in Belgrade.

The heads of the two centers, Lieutenant Colonel General Drago Rakocevic and Lieutenant Colonel General Ilija Trbovic, briefed Admiral Mamula on the work, current tasks, and development plans of these higher school and scientific research establishments of our Armed Forces and on the realization of measures of the Federal Secretariat for National Defense aimed at further promoting their work. They also spoke about the two centers' cooperation with other higher school and scientific research establishments in our Armed Forces and corresponding institutions in our country.

During his visit to these establishments the federal secretary for national defense attended regular training sessions. Speaking about the significance and role of the training and scientific research work done by these centers, the federal secretary for national defense pointed out the tasks in the field of training and specialization of cadres in the Armed Forces and the realization of the program of scientific research work.

In view of modern war's increased need for highly trained, ideologically and politically committed cadres, the federal secretary emphasized the need for speedier and more resolute modernization of training and of scientific research work.

SERBIA ASSEMBLY COMMITTEE ON KOSOVO EMIGRATION

AU181813 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 18 Jun 85

[Text] The delegates on the Sociopolitical System Committee of the Sociopolitical Chamber of the Serbia Assembly have discussed the emigration of Serbs and Montenegrins from Kosovo: The situation in the province is extraordinary and the measures undertaken to implement the conclusions of the Serbia Assembly on the emigration of Serbs and Montenegrins from Kosovo should also be extraordinary. Let us hear a report by Olivija Rusovac:

The delegates on the committee request that the criterion of the national structure of the population in Kosovo should be abolished in employment, because it leads to exclusion and contributes to the emigration of Serbs and Montenegrins from Kosovo. The conclusions also include the request that contracts concluded under duress be revised and annulled, that concluded contracts that disregarded the law on real estate sales be considered void, and that the Serbia Assembly request the SFRY Assembly to amend the criminal law and the law on obligations as soon as possible.

It is also requested that the obligations of public prosecutors in Kosovo be determined, considering that charges connected with the emigration of Serbs and Montenegrins are often rejected or not considered. The committee concluded that the level of responsibility of the state and self-managing organs that did not carry out their tasks in accordance with the conclusions adopted earlier should be established, and that the public should be informed about it. These are the conclusions that the committee has adopted.

Radoslav Radosevic, president, remarked that there is no point in adopting other conclusions unless the old ones are implemented. The remark made by a representative of the Executive Council at the beginning of the session, to the effect that the assembly decided to examine the implementation of the conclusions on emigration as a self-managing organ and not as the highest organ of authority, also does not seem very clear.

Ture, the delegates during the discussion reacted to this remark, and this indicates the need for starting points to first be clarified in the assembly itself, for it is not a matter of indifference whether the powers of the assembly can be denied and its role reduced.

Since the delegates wanted at any cost to avoid repeating statements, the debate was short. Here are some points that were most frequently made:

Mile Veljkovic: State organs in Kosovo are very inefficient and the judges handling misdemeanors do not deal with cases brought by Serbs and Montenegrins, but wait for the statute of limitations to apply to them.

Sava Lazarevic: One still discusses the introduction of bilingualism. The situation in Kosovo is considered to be predominantly a problem of Serbia. Some communes have no plans on how to stop emigration, and questions arise about the quality of cadres in the field and whose side they are on.

Dragan Vuksanovic: In some classrooms in Kosovo schools, there has been no picture of Tito for 4 years. If the irredentists work in an organized way, why should we not work in a more organized way in sociopolitical organizations and schools?

Radomir Bandic: It is not the children and the youths alone that are responsible. We proceeded to punish them, but the main culprits are still active in educational and other institutions.

Radoslav Radosevic: The knowledge of two languages is required but the self-managing acts in 115 work organizations are written only in Albanian.

On 25 June all three chambers of the Serbia Assembly will discuss the implementation of the conclusions on the emigration of Serbs and Montenegrins from Kosovo.

Kosovo Debate Criticized

LD182356 Belgrade TANJUG Domestic Service in Serbo-Croatian 1830 GMT 18 Jun 85

["'Empty Words About Emigration' by Nada Milutinovic" -- TANJUG headline]

[Text] Belgrade, 18 Jun (TANJUG) -- It seems that delegates in the Serbia Assembly have become tired of stories, analyses, and conclusions concerning emigration from Kosovo. Judging by discussions heard in the assembly's committees, at the next session of the council the conclusions offered by the executive council will be rejected as insufficiently concrete. In any case, the assembly has twice adopted a set of conclusions that, delegates say, failed to be implemented.

Delegates agreed that the report on emigration of Serbs and Montenegrins from Kosovo depicts the situation in the province realistically and could be used as a basis for discussion.

However, it is clear from the report that the SR Serbia Assembly is not capable of implementing its own conclusions. Delegates wonder, therefore, what the point is in having discussions and adopting conclusions . Some delegates used this as an opportunity to state that the irredentist movement is not confined to Kosovo.

Admittedly the report stresses that to understand and assess the activity of the executive council and republican organs and to assess to what extent they have been successful in solving individual problems of implementing the conclusions, it is necessary to take into account the constitutional status of the republic and province and the nature of the relationship between the republican and provincial organs.

The accomplishment of the majority of obligations and tasks from the earlier sets of conclusions comes under the jurisdiction of self-managing and state organizations and organizations in Kosovo. Only a small number of these is within the purview of the republican organs and that is probably why the republic's role has been reduced to that of merely monitoring whether the tasks are being carried out or not. However, this monitoring is often reduced to protocol contacts as if two different states are involved!

Delegates in the Education Committee of the Chamber of Municipalities rejected this stand since, for them, the problem of Kosovo is one affecting the entire country, not just the province itself. They stressed that the realization of the platform on Kosovo is the responsibility of the entire SFRY.

Delegates ask: What is the basis for the claims that the situation in Kosovo has improved? If they are based on the claims that emigration is slowing down -- well, the fact is that the number of Serbs and Montenegrins in Kosovo is growing smaller. In the Sociological Systems Committee of the Sociopolitical Chamber it was stated, among other things, that the view that the problem of Kosovo and emigration of Serbs and Montenegrins is a Yugoslav one is not reflected in the SFRY's organizations and the efficiency of its struggle. [as received]

Judging by the available data on emigration, the cases of slogan painting and pamphlet distribution, arson, physical attacks on Serbs and Montenegrins, and rape attempts on young girls and old women, the delegates of this committee consider the situation in Kosovo is very serious. However, only children are made to account for these acts. And this has been going on for 4 years now! In the meantime many of the instigators of this behavior are occupying even the most responsible positions. If for 4 years we have had an emergency situation in Kosovo, then why have emergency measures not been introduced? delegates ask. In Kosovo, many organs, above all judicial and state organs, are behaving in an opportunist manner .

VOJVODINA LC BODY VIEWS DEMOCRATIC CENTRALISM

AU171937 Belgrade BORBA in Serbo-Croatian 12 Jun 85 p 3

[Excerpts] Novi Sad, 11 Jun (TANJUG) -- The Vojvodina LC Commission for Organizational and Statutory Questions, which was recently formed by the Vojvodina Provincial LC Committee in connection with the preparations for the 18th Vojvodina LC Conference, discussed its work prior to the 13th LCY Congress and carried out an introductory exchange of opinions about the most important open issues pertaining to the Vojvodina LC's role, development, and activity, as well as its statute.

Questions that are of importance for strengthening and implementing the LCY's ideological, political, and action unity on the principle of democratic centralism must be the center of our attention, Radovan Medjedovic, president of the commission, pointed out in the introductory speech. He added that it is necessary to thoroughly and critically study the practice of implementing democratic centralism in the LCY, Vojvodina LC, and Serbia LC. Proceeding fron the present situation in the Vojvodina LC, we should immediately start developing more -- in practice and in normative theory -- the democratic side of that principle and start being wary of those tendencies which see a higher degree of ideopolitical, action, and organizational unity of the LC primarily in increasing its centralization.

At the very beginning of the debate on the LCY Statute, Medjedovic warned, there was already an insistence in the public upon the so-called reaffirmation of democratic centralism, but taken mostly in its disciplinary and narrowly statutory function. One must observe this from the principled and critical viewpoint defined by the tasks set at the 11th and 12th LCY congresses. If we failed to pay attention to that, we would allow those tendencies which create provisions for strengthening the leading role of the party under the slogan of the need for strengthening the LC's efficacy.

We must discuss things more within the Serbia LC, coordinate and exchange opinions and experiences about how to most efficiently implement the policy and decisions established in the LCY and the Serbia LC, taking into consideration the organizational complexity of the Serbia LC. The first question is on observing the democratic centralism of the LCY both by the provincial LC organizations and the Serbia LC, because if a provincial LC implements the LCY ideological and political tenets, then the policy of the Serbia LC is also implemented. Here we have to advance and seek opportunities for further developing democratic centralism and its contents, Medjedovic pointed out.

SERBIA SR LEADER MEETS ORTHODOX CHURCH MEMBERS

LD181324 Belgrade TANJUG Domestic Service in Serbo-Croatian 1222 18 Jun 85

[Excerpts] Belgrade, 18 Jun (TANJUG) -- Dusan Ckrebic, Serbia SR Presidency President, today received members of the Holy Bishops' Synod of the Serbia Orthodox Church led by Patriarch German.

Satisfaction was expressed because many issues concerning the relations between the social community and the Serb Orthodox Church have been favorably resolved in keeping with the Constitution and legislation. Also, it was noted that, through mutual efforts, relations and cooperation are constantly promoted. Joint efforts will, however, have to be made in the future too to eliminate cases of abuse for political ends in the ranks of the church and cases of a sectarian attitude and denial of the legal rights of the church by some organs and individuals, which is not in keeping with the attained level of relations between the state and the church and with our self-management democratic system.

The problems the Serbia Orthodox Church is experiencing in Kosovo were also discussed, as were the measures taken by social community organs to overcome them. The wider social interest and importance of settling relations and the establishment of cooperation between the Serb and Macedonian Orthodox Churches was also stressed.

The talks in the Serbia SR Presidency passed in a cordial atmosphere and in the spirit of mutual understanding and respect.

MIKULIC DEPARTS FOR VISIT TO MONGOLIA

LD180825 Belgrade TANJUG Domestic Service in Serbo-Croatian 0631 GMT 18 Jun 85

[Text] Belgrade, 18 Jun (TANJUG) -- Branko Mikulic, member of the SFRY Presidency, left this morning for an official and friendly visit to the People's Republic of Mongolia at the invitation of the Presidium of the Great People's Hural.

At Belgrade airport, Branko Mikulic was seen off by Lazar Mojsov, member of the SFRY Presidency; Metodi Antov, president of the Chamber of the Republics and Provinces of the SFRY Assembly; Borisav Srebric, vice president of the Federal Executive Council; Budimir Loncar, deputy federal secretary of foreign affairs; Mirko Bunevski, deputy federal secretary of internal affairs; Colonel General Ilija Radakovic, deputy federal secretary of national defense; and other senior federal officials.

Sandadiy Jigjidsuren, Mongolian ambassador to Yugoslavia, saw him off as well.

71 ON TRIAL FOR SILVER THEFT IN ZVECAN

LD171216 Belgrade TANJUG Domestic Service in Serbo-Croatian 0940 GMT 17 Jun 85

[Summary] Zvecan, 17Jun (TANJUG) -- A trial of 71 persons, charged with stealing and reselling at least 15,000 tons of silver concentrate from the Trepca industrial complex from 1978 to 1984, opened in the Zvecan Workers Club today. Most of the accused are from Titova Mitrovica, Pristina, Prizren, Pec, and other towns in Kosovo, and are of Albanian nationality. The group also includes three Muslims, one Croat, one Armenian and one Turkish citizen, originally from Kosov The trial is expected to last more than 6 weeks.

BRIEFS

SFRY-PPR ECONOMIC COOPERATION -- Belgrade, June 18 (TANJUG) -- From January to April this year trade betwen Yugoslavia and Poland amounted to 238 million dollars or 11 percent more than in the same period in 1984. In the five-month period Yugoslavia exported goods worth 128 million dollars and imports from Poland amounted to around 110 million dollars, it was stressed in a talk held by Yugoslav Chamber of Economy President Nikola Filipovic with a Polish Chamber of Trade delegation headed by President Ryszard Karski. Yugoslav-Polish economic cooperation is traditionally good and records a constant upward trend. Thus, bilateral trade increased from 495 million dollars in 1981 to around 737 million dollars in 1984. It is envisaged that trade will reach around 780 million dollars this year. The necessity for the promotion of Yugoslav-Polish cooperation and specialization, which currently accounts for 25 percent of the total bilateral trade figures, was stressed during the talk in Belgrade. [Text] [Belgrade TANJUG in English 2004 GMT 18 Jun 85 LD]